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London, Tuesday, November 24, 1998

### Teltsin III: His Ability To Lead Juestioned

Despite Pneumonia, He Is Shown on Tape Meeting With Jiang

By David Hoffman

MOSCOW - President Boxis Yelkin was hospitalized again Monday suffering from pneumo-nia and a high temperature, touch-ing off new speculation about his ability to lead. But the Russian president was shown in a Kremlin videotape meeting with President Jiang Zemin of China in a reception nom near his sickbed.
Mr. Yeltsin's ailment, the third

time in six weeks he has appeared seriously ill, came as aides were openly discussing the possibility of transferring some of his powers to Prime Minister Yevgeni Primakov, although Mr. Primakov said he had not received any new instructions

not received any new instructions from the president.

In an interview with the RIA Novosti press agency made public Sunday, Mr. Yeltsin's deputy chief of staff, Oleg Sysnyev, said Mr. Primakov had presidential stature and should be seen "as a person who should take upon himself presidential powers if the situation persists." Mr. Syanyev did not elaborate on what he meant by "the situation."

what he meant by "the situation."

The Kremlin amounced Monday morning, however, that Mr. Yeltsin had come down with a fever of 38.9 degrees centigrade (162 Fahrenheit) on Sunday. He was taken to the Central Chinical Heapital on Monday morning and diagnosed with pneumonia.

Mr. Yeltsin had failed to make a nersonal appearance on which had failed to make a

personal appearance over the week-

progressive legislate and hands aide, Galina Shrovoings. On Monday mens and Security press secretary, Duniar Facustion. said Mr. Yeltsin's health has not worsened, but neither has it im-proved." He said the president was being treated with antibootics and that he had a "slight temperature." Mr. Yeltsin might be hospitalized for 8 to 10 days, he added.

Mr. Yakushkin said that Mr. Yeltsin's fever came up "rather mexpectedly" and that the president had been deeply troubled by the assessination Friday of Miss Starovoitova, who had been his adwiser on ethnic issues in 1992. "He took the news very sharply, very heavily," Mr. Yakushkin said.

In the last few years, Mr. Yeltsin, 67, has suffered two heart attacks, undergone a quintuple coronary artery bypass operation, and had subsequent bonts with pneumonia and other illnesses. In October, he was described as suffering from bronchitis when he cut short a visit to Central Asia, and from nervous exhaustion when he abruptly left Moscow for a week of vacation at the Black Sea resort of Sochi.

... According to anmerous Russian political and business sources, Mr. Yeltsin has also, over the last year, suffered from periods of disorientation and incoherence. Some of ical proof, have speculated that the president continues to suffer inadcounte blood flow, or small strokes, which have caused him to appear to ace is and out.

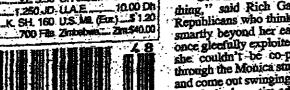
In the Kremlin videotape of the meeting with Mr. Jiang Mr. Yelfsin was seen, but not heard. making a point and motioning. He looked pale, but was sitting up and dressed casually in a cardigan sweater. The meeting, which of-ficials said lasted 40 minutes, had been billed as an informal one,

without lies. But there was no way to tell whether the brief, silent film clip was representative of Mr. Yeltsin's demesnor or condition, the Kreinlin has often issued deceptive reports about Mr. Yeltsin's health.

Under the 1993 constitution, if Mr. Yeltsin is incapacitated or should die, Mr. Primakov would

See YELTSIN, Page 6

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### Rail Strike Ties Up Europe Over Plans For Privatization

By Barry James

BRUSSELS - Rail workers in six European nations went on strike Monday, creating havoc for hundreds of thousands of travelers in a protest of European Union plans to open state-owned railroads to private

The European Commission, the EU's executive body, said the proposed changes would not go into effect for years; would be confined to the freight sector and were intended to increase competitiveness rather than eliminate jobs.

But in a move intended to out pressure on trans-portation ministers, who will debate some aspects of the issue Monday, the railroad workers carried out one of Europe's first major cross-border strikes involving an entire industrial sector.

The maybem was complete in Belgium. Traffic in France, Greece and Luxembourg was severely dis-But the strike had relatively little impact in Spain

and Portugal
In France, rail workers also announced their intention to strike again Friday in what some commentators feared was the beginning of another winter of discontent for Prench labor. The unions were protesting what they described as the deterioration of

See STRIKE, Page 4



Travelers looking at revised train timetables Monday at a Paris station during the strike.

### U.S. Stocks Rebound to a Record

### Lower Interest Rates and Round of Mergers Renew Confidence

NEW YORK - The U.S. stock market rallied to a record Monday, returning to levels not seen since mid-July, when Russia's financial crisis renewed fears that weak emerging markets would drag

the global economy into a recession.

The Dow Jones industrial average closed 214.72 points higher at a record 9.374.27, a gain of 24 percent since hitting the bottom of a summer slide on Ang. 31.

The Standard & Poor's 500 index also set a record, rising 24.64 points to 1,188.19.

The Standard & Poor's 500 index also set were the driving force behind the rally Monday after a raft of mergers and

The Federal Reserve Board's three cuts in interest rates and a recovery in many Asian markets over the past three months have restored investors' con-

fidence in the long-term prospects for the U.S. economy, analysts said. "You have people who missed the train and are trying to get on it," said Roy Blumberg, a market analyst at First Allied Securities.

takeovers. Deutsche Bank said it was in the process of buying Bankers Trust, one of nine deals larger than \$1 billion that were announced Monday.

"The merger activity spurs corporate buyers to see value in the market, and they're willing to put their money there," said Ted Bridges, a money manager with Bridges Investment Counsel Inc. The return of big-ticket corporate

consolidation sent a signal to investors See MARKET, Page 12

New York	Monday & 4 P.M.	previous close
DM	1.7035	1.7031
Yen	120.945	120.975
FF	5.7113	5.7148
Pound Dotars per po	1.6573 und	1.6541
	The Dow	
	Monday close	percent change
+ 214.72	9,374.27	+ 2.34%
4	S&P 500	
+ 613.22	1,188.19	+ 106.65%
	Nasdaq	
+ 49.21	1,977.42	+ 2.55%

### ankers Trust Deal Near, Deutsche Bank Confirms

By John Schmid

nal Herald Tribune FRANKFURT - Deutsche Bank AG said Monday it was in the final stages of forming the world's biggest financial services firm with the acquisition of Bankers Trust Corp.

In its first disclosure after weeks of ramor, Germany's biggest bank said takeover talks had reached "advanced stages" for a venture that many bank-

as risky as it would be monumental. Dentsche Bank, which stands to fulfill its long-standing aim of gaining an investment-banking presence on Wall Street, said its management board and the board of directors at Bankers Trust both supported the German bank's acquisition of Bankers Trust's stock for \$93 a share, which gives the project a total price of about \$9.2 billion.

If the acquisition is completed, the German bank's combined assets would ing specialists viewed as at least swell to more than \$850 billion, out-pect to obtain final approval," it said.

stripping the assets of UBS of Switzer-land and Citigroup, making Deutsche Bank the biggest in the world. A takeover of Bankers Trust, the eighthlargest bank in the United States, also represents the largest buyout of an American bank by a foreign rival.

The German bank said a "definitive agreement" was expected Sunday when Deutsche Bank's supervisory board and Bankers Trust Board had scheduled separate meetings. Both "ex-

Thousands of white-collar jobs are at stake, analysts say, mainly in the United States and London, because of the overlap of the two banks' trading and fixed-income operations. The combined bank would employ 100,000.

"The proposed combination of Deutsche Bank and Bankers Trust would create a truly compelling global financial-services company," said Deutsche Bank's chief executive,

See BANK, Page 4

### **AOL Says It's Seeking to Buy Netscape**

#### \$4 Billion Deal Would Arm Microsoft Rivals for Business Battle on Net

By Victoria Shannon nional Herald Bribune

America Online Inc. said Monday it was negotiating to bny Netscape Communications Corp., the Internet-brows-ing software pioneer, in a \$4 billion deal that would provide the leading on-line service with a powerful arsenal in its quest to dominate business on the Net.

An America Online-Netscape combination would also threaten the Internet business of Microsoft Corp., which makes software for both personal and business use that competes with Netscape's, analysts say.

A second part of the discussions has Sun Microsystems Inc. moving to buy the business-software division of Netscape, which would help Sun's sales of server computers that anchor the Internet.

The deal is a sign of the rapid development of the Internet, the global network of computers that was used only by governments and universities until a few years ago. Now. with consultants forecasting that companies and consumers will be doing \$400 billion in business on the Internet by

2002, technology companies are jockeying for position. AOL and Netscape already are vigorous Microsoft competitors — even though AOL also uses Microsoft's Internet

software — and in fact have testified against Microsoft in its antitrust trial now under way in U.S. federal court.

After the companies confirmed their merger talks, Microsoft said the AOL-Netscape discussions would undermine the position in that trial of the U.S. government, which maintains that Microsoft used its dominance of the Windows PC operating system to compete unfairly against Netscape. This proposed deal shows that the government's case was and is unnecessary," said William Neukom, the Microsoft general counsel. "Microsoft's competitors have always had

See DEAL, Page 4



Steve Case, the chairman of AOL.

### Surprise Politician Emerges for 1998: Hillary Clinton

### She Taps Her Savvy on the Issues to Battle Months of Darkness

By Francis X. Clines New York Times Service

WASHINGTON — As a withering year draws to a close with her husband's threatened impeachment, Hillary Rodham Clinton prevails above the American

landscape in all her signature duality. There she is, darkly scored once more as the obsessive footnote in the persistent Whitewater investigation of Kenneth Starr, the independent counsel who ardently wants Congress to impeach President

Bill Clinton Yet there she is, too, reigning brightly on the cover of Vogue magazine — the first time a first lady has been so honored, and a decision mandated, the editors say, by Mis. Clinton's exuberant, triumphant canapaign bainstorming to defend the careers of Demo-

paign paristoring to the part of the part of the part of the paristoring a trying year. Mrs. Clinton has taken on an unexpected political heft that even some Republicans have to acknowledge.

"Give her credit for getting her arms around this ag," said Rich Galen, the strategist for House Republicans who thinks the first lady has progressed smartly beyond her early errors, which Republicans once gleefully exploited. "She learned the lesson that she couldn't be co-president. She stoically went through the Monica stuff and has come out shining and come out swinging. She's become the one beacon of light in the entire administration."

Whatever her personal scars, Democrats gratefully note that Mrs. Clinton managed to repair her popular standing through the very role she once mocked as that of a one-dimensional spouse; standing by her man. But she did so by brandishing her strength in issue-oriented politics as a campaign tonic for all the lurid wallowing hat marked the year.

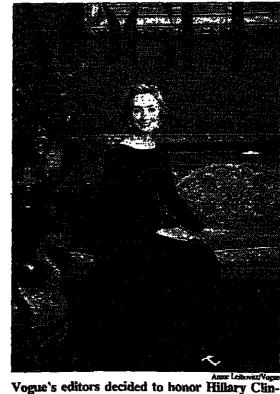
For Hillary, it's the best of times and the worst of times," said George Stephanopoulos, the television commentator and former White House political strategist. "She is the key to the strange success of this year. If at any moment she had winked or hinted at any real distance between her and the president, then that's it, the president loses.

As it is, the combativeness trumpeted by Mrs. Clinton herself in the stunning first days of the president's sex scandal last January remains the keynote for both Clintons 10 months later as a skittish Congress labors to close out the impeachment struggle.

By seizing the hustings as her personal outlet in a catastrophic year, Mrs. Clinton has become widely hailed as the year's surprise politician — the most dominant popular campaigner in the November elections that cut the Republican majority in Congress and toppled such Clinton antagonists as Newt Gingrich, speaker of the House, and Senator Alfonse D'Amato of New York.

We may have just witnessed the first step in the

See MRS. CLINTON, Page 4



ton for her triumphant campaign barnstorming.

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### Lifting Ban, **EU Clears British Beef** For Export

It Ends 32-Month Curb Caused by an Outbreak Of 'Mad Cow' Disease

By Warren Hoge

New York Times Service LONDON — The European Union voted Monday to lift its 32-month-old worldwide ban on British beef exports, saying that the country had finally put sufficient measures in place to halt the

spread of "mad cow" disease.

Prime Minister Tony Blair hailed the decision as "genuinely good news for farmers and British agriculture," although the first resumed exports are not expected to leave Britain's shores until March because of final safety inspections and other bureaucrafic steps. And it will be years, if ever, before British

cattlemen reclaim their lost markets. Jeremy Davies, a founder of the Great Beef Campaign lobby group that numbers Mr. Blair among its signers, said the action in Brussels on Monday would nevertheless be "a great psychological boost for farmers.

'It will signal things are beginning to turn for them," he said. The ban was imposed in March 1996 after evidence emerged of a possible link between "mad cow" disease, known formally as bovine spongiform encephalopathy, and the fatal degen-erative Creutzfeldt-Jakob brain-disease that affects humans.

Thirty people have died of the disease, farm and livestock businesses have gone bankrupt and political reputations have suffered in the dispute that led to increasing antagonism between Britain and its European allies. In 1996, Prime Minister John Major briefly insisted on a policy of noncooperation with Europe over its failure to remove the ban, and his agriculture minister. Douglas Hogg, refused the summons of the European Parliament in Strasbourg to discuss the issue.

In Britain, the dilemma deepened the reputation of Mr. Major's government for drift while in Europe it played on longtime Continental resentments of Britain as aloof and arrogant. It seemed an improbable symbol of Britain's weakness in an emboldened Europe since red meat is such a symbol of nationhood that the British are lam-

pooned in France as "les rosbifs."

On Monday, only Germany refused to back an end of the ban, with four other countries — Austria, France, Luxern-bourg and Spain — abstaining. Nine countries joined Britain in approving the move.

Over the nearly three years of the crisis, the worse in European agriculture since the creation of the union decades ago, more than 2.6 million cattle were slaughtered in Britain in an effort to overcome consumer fears about "mad cow" disease, and rigorous hygiene procedures were installed, particularly in abattoirs. Methods of keeping track of meat from the birth of calves until their slaughter - in effect providing each animal a passport — have been put in place. EU veterinary chiefs gave the

See BEEF, Page 6

### AGENDA

### Reno Set to Decide On Further Probes

WASHINGTON (NYT) - Attorney General Janet Reno must decide by Tuesday whether to seek an independent counsel to inves-tigate Vice President Al Gore, in the first of three decisions likely to determine whether there will ever be an outside investigation of Democratic fund-raising in 1996.

Ms. Reno's deliberations; which in the next two weeks will also turn to the former White House deputy chief of staff, Harold Ickes, and then to President Bill Clinton, will sweep across a panorama of political fund-raising practices.

Books	
Opinion	Pages 8-9
The IHT on-line	

### Mexican Rebels End Chiapas Peace Talks

SAN CRISTOBAL DE LAS CASAS, Mexico (Reuters) - The Zapatista rebels based in Chiapas state ended a weekend of fractions talks with a Mexican congressional peace commission on Monday by saying they had no plans to lay down their arms. The commander known as Tacho said the rebels would not disarm "as long as indigenous rights are not guaranteed."

### A Wild, Dusty Day at the Kzyl-Orda Race Track

By Daniel Williams

ZYL-ORDA, Kazakhstan - The riders' daring was thrilling enough for visitors, but local old-timers seemed unimpressed. Huddled under long padded coats, the aging Kazakh onlookers chanted casually about the price of rice and the virtues of two-humped camels while sweaty horses galloped past, carrying lithe boys who bowed dangerously to one side to pluck

red ribbons from a stake in the ground.

The visitors oohed and aahed. Auyes-Khan Kuderbayev smiled politely. "They are very good," said Mr. Kuderbayev, himself a veteran rider. "But their grandfathers, they really had a challenge. They had to get hold of a headless goat and rull it onto the borse."

and pull it onto the horse."

It was race day in Kzyl-Orda, a river town in western Kazakhstan that for a few hours put aside thoughts of poverty, degraded lands and uncertain prospects for the future. Thousands of townsfolk instead concentrated on their national sport. What

instead concentrated on their national sport. What baseball is to the United States, cricket to Britain and bullfighting to Spain, riding is to the Kazakhs. Attracted by the lures of modernization, urbanized Kazakhs sometimes express irritation at the image of their country steeped in nomadic lore. They frown at pamphlets published by foreigners that depict the Kazakhs living in yurts, the hide-covered mobile home of the sterme.

But in Kzyl-Orda, such anti-nostalgia was far from the minds of the participants and spectators.

"A real Kazakh would be on his horse all the time if he could," Mr. Kuderbayev said.

Amanjuk Ongarbayev, one of the organizers, said: "We race horses to celebrate births, circurncisions, anniversaries of the death of relatives These are the best days in the year.

The boys and men, many of them riding bareback, looked at home. They slipped on and off their steeds without the aid of stirrups. Riders held short leather Kazakh whips between their teeth as they snatched the red ribbons off the track. Participants in the 32-kilometer (20-mile), 16-lap main race of the day showed off by waving at friends and family

as they sped along.

Kazakhs are heirs to the Turkic conquerors and Mongolian nomads who swept across the grassy steppes of Central Asia on horseback. Kazakh swiftness ahoof made them valuable allies during the wars that have marked Central Asia's history. Tribal rivalries and a weak economic backbone also made the Kazakh lands a target for invasion.

For the past two centuries, czarist and Soviet overlords pressed the Kazakhs to settle down. In particular, Soviet planners proved to be cruel herders of mankind. They forced Kazakhs onto state farms and into spiritless towns in the name of efficient farming and industrial production. Tens of thousands of Kazakh resisters were killed. Russian and other non-Kazakh settlers and exiles converted pasture into wheat fields in the country's fertile

In response to Moscow's long domination, leaders of independent Kazakhstan tried to create a compelling national mythology. The project included exaltation of a recognizable icon: the warrior on horseback. Billboards to remind Kazakhs of their national day celebrations in late October feature a fierce horseman thundering across the steppe.

Remote Kzyl-Orda is a living road map of Ka-



KAZAKHSTAN

JPAN

In the main event, 45 horses started out in a flail of whips and a chorus of heady whoops.

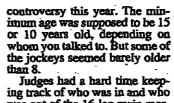
zakhstan's history. Before the 1917 Bolshevik Revolution, it was called Akmisheet, which means "White which means "White Mosque." For a while, it was the capital of communized Kazakhstan, which is when

its name was changed to Kzyl-Orda, "Red Cap-

he city has suffered from the draining of the Syr Darya River for cotton irrigation projects. Rice harvests are down, due to lack of water and the increased salinization of the land caused by overuse of the river. In recent years, hopes were raised in the city by the oil industry. A Canadian oil company employs 5,000 residents — a large windfall for a city of 200,000 — but even that wellspring of prosperity is under threat. Dropping world oil prices and an inability to get the petroleum to Western markets have raised the specter of layoffs. So the races, held in conjunction with a rice harvest festival, were a useful respite.

Mr. Kuderbayev said that the horses are a Kazakh

breed able to live in the open all year. He is a rice farmer who also raises horses, entering 10 in the rice festival races. Mr. Kuderbayev recruited the lightest and most agile riders, which created something of a



was out of the 16-lap main race. Forty-five horses started out in a flail of whips and a chorus of heady whoops. Lagging contestants, or any horse in danger of being lapped, were run off the course each turn around. Some riders refused to quit. Others, in

confusion, began to run the wrong way. The crowd whistled in disdain. No one was wearing colors, and the numbers on the backs of the riders were unrecognizable in the billowing dust.
"Number 120 is in the lead!" called out an

official observer. "There is no Number 120," responded Mr. Ongarbayev, mystified. The winner was awarded a color television set. Second place won a smaller TV set, and third place a vacuum

cleaner. Betting is not part of the tradition here.

Kaldabek Umarov won the six-lap trotting race. in which the horses are forced to keep their heads high as the riders endure a bouncing, kidney-jarring

journey.
"I was lucky," he said, clutching a first-place vacuum cleaner. "My horse is too fat. There's another race in a week, and he should be in better shape." He added that this was his third vacuum cleaner prize of the year, but that it made no difference. "I don't ride for the prize. I like to hear my name called out."

# Air-Navigation System: A Jamming Liability?

New York Times Service

WASHINGTON - An improved navigational system for amplanes is nearing completion, but no one seems certain how well the satellite-based technology meets the aviation industry's extraordinary need for reliab-

But a U.S. missile attack on Iraq. if tensions escalate to that level, could provide a cine. Earlier this month, when an air strike against that country ap-peared imminent, civilian air navigation experts were intent on learning whether Iraq would be able to jam the electronic. signals of the satellites, which are used for both military and civilian applications. And with many foreign-policy analysts still expecting an eventual attack, the navigational system may yet

have its trial by fire.

The new method is based on the Global Positioning System, or GPS, a halo of two dozen satellites originally meant for troops and missiles but now also used by hikers, farmers, surveyors, trucking companies and many pilots of private planes to determine quickly and

accurately where they are. Some airlines have also begun using GPS for long trips over water where there are no ground-based navigation aids available, as well as for landings and to angment other navigational methods. The Federal Aviation Administration formerly planned to use GPS to replace all ground-based navigation

But to address reliability concerns, the Federal Aviation Administration is now thinking of retaining at least a third of the old system, which consists of an aging network of radio beacons called VHF omnidirectional radios, which are used for long-distance navigation, and instrument landing systems, which are available at a small number of run-

If GPS were widely adopted for ci-vilian aviation, air-traffic controllers could safely squeeze airborne jetliners closer together near big airports and the cross together the big airports and its system would give even tiny airports first-class guidance capabilities. But GPS is subject to jamming—electronic interference that can disrapt signals from the satellites to navigational re-

Just how big a problem jamming might be — whether through mistakes or through deliberate steps by foreign enemies, terrorists or vandals—is open to debate. And with such uncertainty, no one knows for sure how much of the old system should be maintained as a

Some answers may come from the Johns Hopkins University Applied Physics Laboratory, which is in the latter half of a six-month, \$500,000 study of whether GPS should replace all ex-

The study was recommended by a White House task force a year ago, because of concerns about jamming, and it is being sponsored by the aviation agency and organizations representing the major airlines and private plane

"What we're looking at is, does GPS cover us in all circumstances?" said Helen Worth, a spokeswoman for the laboratory, which is in Laurel, Maryland. "If there is a circumstance where it could be disabled," Ms. Worth said, "I would say that's an area of con-

The GPS system has already been accidentally jammed at least three times. In December 1997 and again in February of this year, airlines reported losing GPS signals near Albany, New York. Investigators eventually found that an Air Force laboratory in nearby Rome, New York, had used a five-watt transmitter to test the reception ability of antennas, and inadvertently left the transmitter running.

An aviation agency official cited a third case, involving a McDonnell Douglas plant in St. Louis that was testing a jammer for use on fighter

But in these cases, because the full complement of conventional aviation navigation aids is still in place, the jamming was only an inconvenience.



would be a new category

200.00

"This is going to be the Super Bowl of jamming," said Langhorne Bond, a former head of the FAA who has been arguing in recent months that his former agency needs to maintain a backup system and not rely solely on GPS.

. Mr. Bond and others say that a new attack on Iraq would be the first instance of using GPS-guided weapons against a: target country that knew they were com-ing. In the Gulf War in 1991, many of the cruise missiles had no GPS syste with those missiles that did, the Iraqis. had no experience with such weapons. In last summer's U.S. cruise missile, attacks against presumed bases of Osama bin Laden in Afghanistan and Sudan, the targets had no warning.

GPS receivers, whether a sophisticated device in a cruise missile or a portable gadget in a hiker's backpacks listen for signals from several of the satellites, each broadcasting its location and identity.

nd identity.

The receiver records the time of arrival of each satellite's signal to cal-culate the distance from the spacecraft. By combining several calculations from several satellites, a process known as triangulation, the receiver can determine its position. Some airlines already use GPS on long over-water routs. and private pilots use it widely for all sorts of flights.

### **European Deaths Rising As Cold Wave Persists**

BUCHAREST — An Arctic cold wave and accompanying blizzards have killed scores throughout Europe, the po-

lice and media reported Monday.

The weather played a role in at least 24 deaths in Romania and Bulgaria during the last three days. In Poland, 32 persons died, most of them homeless or others who passed out in the cold after drinking alcohol, the police said.

City officials in Moscow said that 11 persons had died from the cold and that scores of others were hospitalized during the last week as temperatures plummeted to unseasonal lows.

Hospitals in the Russian capital have treated 196 people suffering from hypothermia, the Interfax news agency said, citing city officials. November has seen the lowest temperatures in western Russia since records began, with the mercury plunging to minus 20 degrees centigrade (minus 4 Fahrenheit) on some days. On Monday, however, temperatures suddenly soared but remained

below freezing.
Temperatures in central and eastern Poland during the weekend were as low as minus 20 degrees centigrade.

The cold wave hit on Nov. 16, making it one of the coldest Novembers in Poland in recent years. Weather forecasters predict higher temperatures in

the next few days.

In Romania, at least 21 persons died from the cold and in weather-related accidents on snow-covered roads since Friday. Temperatures plunged to minus 10 degrees centigrade (14 Fahrenheir) early Monday.

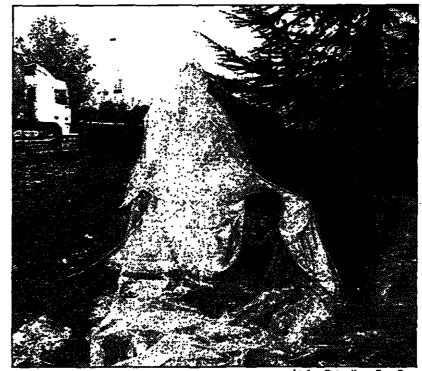
Dozens of trains were canceled and 200 communities were reported to be without electricity, the Libertatea news paper reported. Some 15 major roads were blocked by snowdrifts as high as 1.5 meters (5 feet).

In France, the death toll from the cold snap rose to six persons, three of them homeless men. Fountains in front of the Eiffel Tower in Paris were completely frozen. After a cold weekend during which three deaths were reported, the temperature in Paris on Monday morning was minus 5 centigrade (23 Fahren-

heit) - slightly higher than on Sunday. About 100 homeless people staged a sit-in at the headquarters of the state-run medical assistance service in Paris to demand better protection in winter.

In Bulgaria, three persons died in the northwestern region of Montana, the daily newspaper 24 Chassa reported. Some highways were blocked and some areas were without power, phones and running water. The Black Sea ports of Burgas in Bulgaria and Constanta in Romania were closed because of storms, state radio reported.

In Greece, rainstorms disrupted flights and sailings, and dozens of remote mountain villages were isolated by heavy snow. (AP, Reuters, AFP)



A homeless man in Toulouse, France, trying to escape in a makeshift tent from the cold wave that continues to grip Europe and take lives.

### TRAVEL UPDATE

#### Rail Strike in Ireland

DUBLIN (Reuters) - Ireland's local and main-line rail services are likely to be hit by a one-day unofficial strike Tuesday after talks between unions and management failed during the weekend, Irish newspapers reported Monday. The Irish Times said that about 300

drivers had threatened to take sick leave. The report warned of "traffic chaos" in Dublin's center.

Marley Theme Park KINGSTON, Jamaica (AP) - A

theme park about the life and work of Bob Marley, the Jamaican reggae legend, will open Feb. 6 in Orlando, Florida, his widow said. The singer died of cancer in 1981 at age 36.

#### Correction

An article about a U.S. judge's order programming language, in the Nov. 19 editions, misstated the year the companies signed the licensing agreement at issue in their dispute. It was March 1996.

that stops Microsoft from shipping its own version of Sun Microsystems' Java

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### WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

North America

Printed by Newsfus, International, Landon, Registered as a newspaper at the post office.

### Whose Fault Was It, Anyway? Father Files Suit Over Unwanted Baby

By Barbara Vobejda Washington Post Service

WASHINGTON - Their romance was typen Ms. Smith discovered she was pregnant. That's because we've turned it into a commodthe fairy tale ending did not come.

men when they had sexual intercourse.

In a case that taps into long-standing male years of child support?

In a case that taps into long-standing male years of child support?

Mr. Wallis is claiming that Ms. Smith promised estate broker, said the lawsuit essentially was to take birth control pills but then quit without about fraud. Both he and Ms. Smith talked about the lawsuit essentially was a labely and beauty in their relationship, he said. pelling him, essentially forcing him into a role he birth control early in their relationship, he said. did not choose: fatherhood and the child support

the goes with it.

Smith said she became pregnant accidentally white on the pill. In addition, she argues in a legal filing that she could not have stolen Mr. during voluntary sexual intercourse. It should be He urged her to have an abortion. She refused. considered a "gift," she said.

But if the case flows from age-old emotions The couple did not discuss any agreement that surrounding sex, it also arises during an era of she would go on the pill, she claims, but she does high-tech fertility, when babies are produced say she told Mr. Wallis that was her intention. 'I using sperm banks, egg donors, petri dishes and never stopped taking birth control pills,' she frozen embryos. In effect, the new frontier has said. 'It was an accident. I was shocked.' altered society's view of sperm, introducing it as She says she didn't marry Mr. Wallis because

Training to the

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something that can be bought and sold in an everchanging marketplace.

And why can a woman abort an unwanted child And why can a woman abort an unwanted child but a man in the same situation be required to pay

> "I told her the only method that was foolproof enough for me was the pill," he said. She agreed to take the pill and that amounted to a contract, he

argued. When he discovered she was pregnant, he said, Wallis's sperm because he surrendered any right. "I felt shocked, overwhelmed and rather be-of possession to his semen when he transferred it trayed." He asked her to marry him. She said no. Ms. Smith, 37, describes events differently.

"I realized that he didn't love me."

He kicked her out of the apartment and she The lawsuit arrives "in this context of bank- moved home with her parents, she said, where mal even classic. Peter Wallis and Kellie Smith commodity, "said Barbara Katz Rothman, a sosecretary. And almost exactly one year ago, Ms.
Smith discovered she was recommodity." The saying he's saying he's been robbed of it.

Smith gave birth to Taylor, a chubby-cheeked,

> This tale of lost love reads even more harshly in the legal documents, where Ms. Smith's alleged sins are described not only as a breach of contract but as "conversion"—the label applied to the "misuse" of Mr. Wallis's semen.

> Ms. Smith's attorney, Mary Han, has asked a state judge to dismiss the case, arguing that Mr. Wallis has failed to show he suffered any harm. She warned of a "flood of litigation" if fathers could escape financial responsibility for their children by blaming the mothers for failing to use

> "If he was so adamant, why didn't he use a condom or, excuse me, just not emit," Ms. Han said. "This is about a man who just does not want to accept his sexual responsibility. Talk about a

> But some men's groups argue that Mr. Wallis has a point. When it comes to procreation, they complain, women continue to hold all the "If a man wants her to have an abortion, that's

an option solely within the control of the woman. If he doesn't want her to abort, that's an option solely within the control of the woman." Hugh Nations, executive director of the Texasbased Men & Fathers Resource Center, a group the child, argued Ms. Charo, "lack of intention

reproductive matters. We leave all the options parent. with the female."

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Women's advocates counter that men should take equal responsibility for preventing pregnancy, and even when they do, be mindful that no method is foolproof. And to some extent, biology is destiny.

"You are coming up against an absolute fact of life. They are not the ones who get pregnant,' said Katz Rothman, a City University of New York professor and author of "Genetic Maps and Human Imaginations."

The long-simmering "gender" wars are further complicated by new reproductive technologies and evolving legal theories. Until recently, for example, the law paid virtually no attention to whether a man or woman intended to become a parent in determining legal responsibility. But that has changed with the introduction of surrogate motherhood, egg donation and other high-

R. Alta Charo, a law professor at the University of Wisconsin at Madison, cited a Cali-fornia custody fight involving a woman whose fertilized egg was implanted in a surrogate mother. In that case, one of the tests created by the alone court to determine who should be allowed to keep the baby was which of the two women had intended to become a mother.

no question about his genetic relationship with to being a mom and raising my daughter in

that assists men in custody, child support and doesn't excuse you from parenthood." And, she other disputes. "That's the way we approach added, he has no legal right not to become a

Mr. Wallis has not yet set a figure for the damages he is hoping to win from Ms. Smith to help cover the child support he says he expects he will be forced to pay down the road. But he argues that this case is not about money, nor should it be

seen as men vs. women. 'My daughter was born into a broken home,' he said. "That's something I really have a problem with I know I'll never collect money, but I hope that because of what I do, maybe people will give a second thought before they commit

Ms. Smith said she would prefer not to receive any child support from Mr. Wallis, to avoid the entanglements, but realizes it is not her choice. Because she filed for sole custody of the child, the question of child support will inevitably come up and the state probably will force him to pay something, regardless of her views.

But she is not trying to keep Mr. Wallis from

seeing their daughter, she said.
"If he wants to come in and be a healthy part of her life, I welcome that," Ms. Smith said. "But if not, I would just prefer that he leaves us

But Ms. Smith said she was dismayed by the lawsuit.

"The whole thing is sick," she said. "I would Still, in cases like Mr. Waltis's, where there is like to have all this ugliness go away and get back.

### **House Panel Shuts Doors** For Further Testimony

Livingston Wants Speedy End to Clinton Matter

By Brian Knowlton tional Herald Tribune

quick way to resolve the allegations ment would not, however, be warranted

would be defeated.

Mr. Livingston, a Louisiana Repubappropriately a question for the Senate."

sought to cover it up.

reasonable compromise" that would

help bring the scandal to a close. WASHINGTON — The House Jucounsel, appeared to brace for the pos-diciary Comminee moved its impeach—sibility that House members might conment inquiry behind closed doors Mon- chide that Mr. Clinton had committed day as members continued to look for a impeachable offenses. He said impeach-

against President Bill Clinton. "Do you push the automatic im-Separately, Robert Livingston, speak-er-designate of the House, said that he "or do you exercise some discretion and believed the full chamber should vote on use your judgment as to what should be impeachment — probably next month done? I think overwhelmingly it is clear - even if it appears certain that the vote "that the American people do not want this president to be impeached."

Mr. Livingston, however, said that if lican, also said on NBC that while a the indiciary panel approves articles of who claims Mr. Clinton once made an decision to censure the president was impeachment possibly within weeks, unwanted sexual advance "certainly a possibility," it was "more then he would support a special session. The investigation by the of the full House this year to vote on The House Indiciary Committee is whether to impeach. He said the House evestigating allegations that Mr. Clin-could deal with the matter quickly, re-in connection with the Whitewater land h lied under oath about a sexual requiring 'two or three hours of debate,' lationship with Monica Lewinsky, then a vote, 'and be done with it.'

The dudiciary Committee was hearing The White House incit allo Studies closed abor assimiony Monday from 15 felony counts. On Monday, Mr. Hub-



Bob Livingston backs a vote by the full House as early as next month.

Willey, the former White House worker

The investigation by the independent counsel did not produce sufficient evidence to support articles of impeachment venture, Mr. Starr said Thursday. But his inquiry did lead to the indictment of a close Clinton friend. Webster Hubbell, on that it was open to any "serious and Daniel Gecker, ar smorney for Kathleen bell pleaded not guilty to all counts.

rebuke short of impeachment. to the president's re-election

not the impression he was try-ing to send. But the contrast in The governor of Guam

his mood, and his political Carl Gutierrez, became a ma-

standing between the trip in jor Democratic fund-raiser September and this one was and, in an interview last year, inescapable. acknowledged that he got in-Even the stop in Guam volved in fund-raising to help

was, in its way, a sign that the gain a louder voice in policy White House now believes it Since 1988, Guam's politic

In 1997, the White House the Guam Commonwealth was buffetted by news reports Act, which would give island suggesting that Guam Demo-

ington to approve a law called

### Ambiguities Abound In Espy Prosecution

WASHINGTON - The independent counsel Donald Smaltz said the trial of former Agriculture Secretary Mike Espy would show how a high government official had betrayed the public's trust by taking \$35,000 in gifts from companies he was supposed to be regulating. But now that Mr. Smaltz has rested his case after calling 70 witnesses in seven weeks of testimony, the issues do not appear as clear-cut as

Many of Mr. Smaltz's witnesses have depicted Mr. Espy as a bright, ambitious agriculture secretary who made decisions based on merit and not to reward any special interests. They Interview With Starr said Mr. Espy had worked long hours and traveled extensively to promote ified that they had given Mr. Espy tickets to sporting events and other gifts, they insisted they had done so out past or funne acts.

The trial has been a primer into the way Washington works. On one side is Mr. Smaltz, who maintains that the law requires public officials to keep a professional detachment from lobbyists and the interests they regulate. The defense contends that public officials

can have friendships with corporate

POLITICAL NOTES

officials and lobbyists and still make decisions fairly. It will be up to U.S. District Judge Ricardo Urbina and the jury to sort out the matter and decide whether Mr. Espy is guilty of 38 corruption charges. Under federal law, public officials are barred from accepting gifts as a reward

### ABC to Broadcast

for past or future acts.

policies on important trade and farm ABC has interviewed Kenneth Starr the House should decide to proceed issues. Although several lobbyists test-for a segment of the network's "20/ with articles of impeachment, which 20" program that will be broadcast means all they do is to charge the Wednesday night, giving the U.S. network another of the biggest news-mind, seems to me more appropriately of friendship and not to reward him for magazine interviews to come out of a question for the Senate rather than for President Bill Clinton's sex scandal.

Ms. Sawyer's interview with the special prosecutor in the Clinton matter was conducted Saturday in Washington, the network said Sunday.

Last week, ABC announced that Monica Lewinsky had agreed to an interview with Barbara Walters that would be shown sometime next year. During her interview with Mr. Starr,

Ms. Sawyer notes that his report to Congress on the matter had been called "demented pornography" by some critics because of its graphic sexual details. She asked whether Mr. Starr regretted the tone of the report.

"Diane," Mr. Starr replied, "don't (WP) fault career prosecutors for telling the

### Quote/Unquote

Representative Robert Livingston, NEW YORK — Diane Sawyer of the incoming speaker of the House: "If the House.

### Jolly Clinton Visits Guam on Way Home

Enthusiastic Reception There Points Up Shift in His Political Fortunes

By John F. Harris ashington Past Service .

AGANA, Guam -- President Bill Clinton headed ing recent aggressive actions back to Washington late by North Korea, while still Monday after a sun-drenched expressing hope for his vision Mt to Guam, where cheering of an eventual rapprochement residents delighted to have a on the Korean Peninsula.

U.S. president in their midst

But it was events in Washprovided an upbeat ending to ington that most upset the an Asian tour that began on a president's advisers. The day far more auxious note.

remote island outpost of ing, the trip showed Mr. Climabout 160,000 people in the transfer less on the defensive favor with Mr. Clinton by immigration.

western Pacific. When he got than he was just a couple done making a speech, he twice moved up and down the rope by the outdoor stage, lingering to shake dozens of land. Mr. Clinton was a suggesting that Guam Demoofficials more governing authority, including power over immigration.

the traveled in the was just a couple of the traveled in the traveled in the was just a couple of the traveled in the was just a

colored Mr. Clinton's four-humble statements. hour visit here seemed to tell a On this trip, two weeks larger story about this trip, after the strong Democratic which took him to Japan and me whether to impeach him sounded like a groveling.

For the Monica Lewinsky tone.

in addition, when Mr. Clinton left Washington on Wednesday morning, the trip was shadowed by troublesome questions on a variety of These comments prompted questions on a variety of These comments prompted policy froms. In Tokyo, he questions about whether Mr. had to walk a fine diplomatic Clinton now believes he can. line to prod Japan to reform escape any punishment, in-

year-old niece in 1996.

**Away From Politics** 

Anthony Powell, who was convicted of sodomizing his 17-

A videotape of Dr. Jack Kevorkian administering a lethal injection to a patient suffering from a terminal disease was broadcast on the CBS' program "60 Minutes." Dr. Ke-vorkian, 70, took the videotape to CBS in an attempt to force

a logal showdown over doctor-assisted suicide. (Reiners)

• A man questioned in the murder of an abortion doctor, Barnett Slepian, in New York on Oct. 23, has been released by

its economy without offend-cluding a congressional cen-making large contributions ing national sensibilities; in sure or some other type of — some \$900,000 in total — Seoul he faced a similarly delicate task in acknowledg. Clinton aides said that was campaign and the Democratic

after he left town, the House White House now believes it Since 1988, Guam's politi-Mr. Clinton, ebullient to Judiciary Committee held its is less vulnerable to ethical clans have been asking Washthe point of giddy, joked that impeachment inquiry hearing controversy. he might even consider run- with the independent counsel In 1997, the Kenneth Starr.

rope by the outdoor stage, September to Russia and Ire-lingering to shake dozens of land, Mr. Clinton was rehands as if he indeed were a peatedly dogged by questions about whether he was sufficandidate again.

about whemer he was suntlive President Chinton!" ciently contribe about his

valve President Chinton!" ciently contribe about his shouted Robert Underwood, a sexual relationship with Ms. Democrat and Guam's nonvoting congressional delegate. "Viva! Viva!" the
crowd responded in unison.

The effusive mood that

The effusive mood that

Clienton's form.

performance in midterm elec-South Korea while the House tions, Mr. Clinton was plainly of Representatives is decid-done with anything that

In South Korea, he said that

THE PALACE THIS WINTER, WITHOUT THE ROYAL ROOM RATE.

• The anti-sodomy law in Georgia has been overtuned by the state's Supreme Court. The court said the law violated the Georgia Constitution's guarantee of a right to privacy. The court voted, 6 to 1, to overturn the sodomy conviction of



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### On the New European Economic Road Map, There's Not Much Left of the Left

John Vinocur International Herald Tribun

PARIS -- Europe's leftist governments have produced a document outlining their ideas on economic reform that they call The New European Way. It is no 10-lane highway to the horizon, but largely a familiar road, signposted less in pink than gray.

After a few weeks of remarks from new left-led governments in Germany and Italy that created the notion that Europe might be considering movement toward the control of currency markets and relaxing its economic performance targets, the paper cuts sharply in the opposite direction.

Instead, it embraces what has been economic orthodoxy in Europe since the Maastricht treaty. It insists it is comfortable with free trade and markets, and that a Europe led largely by Socialists and Social Democrats will defend monetary stability and budgetary rigor. None of the traditional levers of Keynesian policy familiar to the left are present in any conspicuous form.

outline that is miles from creed, passion or mani- structing a full-employment society, the paper has

wages and minimum social rights, where some of Europe's leftist governments are expected to press for standardization measures that critics may regard as an attempt to limit competition.

Made public on Sunday with the approval of Europe's Socialist finance ministers in Brussels, the document describes itself as a policy agenda "to help rebuilding confidence

in the European Way."

Of the European Union's members, only Spain, Ireland. ANALYSIS Luxembourg and Belgium currently have rightof-center parties participating in government — and probably none of them would have en-

countered difficulty in supporting the document.

As an initial attempt to outline a joint economic approach for a Europe turned leftward, the manner appears nonconfrontational, consensual and market-friendly, sharper in tone toward overspenders than speculator

Whatever its drafters' intention, or the doc-What is left of the left in this cautiously framed ument's possible effect on what it calls recon-

festo? The paper just brushes along the edges but much of the tone of the British Labour Party's hand on the control of financial markets, or specific commitment to the does not dig into areas like tax policy coordination, effort to emphasize its ties to the ideas of social anything resembling a proposition that would nomic performance targets. justice while defending the status quo of tight control over debt, deficits and public spending. There is no palpable echo of the calls of the German finance minister, Oskar Lafontaine, to bring target zones to exchange markets, or to suggestions from lialy that the euro's debt and deficit strictures could be softened to revive growth.

The document seems to simply turn its back on much of the specific leftist program elements present in the European debate since Tony Blair and Lionel Jospin took office in 1997 and Gerhard Schroeder and Massimo D'Alema followed them this year.

The paper stays away from calls for cutting the work week, like Mr. Jospin's 35-hour concept. Public works projects have their place, it says, but the document directly calls for the liberalization of the telecommunications market, and insists that "the use of state aids has to be carefully controlled and monitored.

For an overall view, there is this formula: The state acts where markets fail." But there is no push for a palpably stronger

allow the Socialist governments to guide the positions of the European Central Bank. Neither is there a trace of Mr. Jospin's call last year for the formation a so-called economic government to serve as a counterweight to the extensive powers of the ECB.

The European bank should take growth and employment into consideration as it seeks to protect price stability, the paper says, following the line of Stability and Growth Pact of Germany's former conservative finance minister, Theo Waigel "Such a policy," the socialist document said, as if noting the uncertainty caused by Mr. Lafontaine's remarks challenging the bank, "must be conducive to credibility, certainty and predictability."

Mr. Lafontaine's concerns about currency swings are tacitly recognized — but his proposed solutions ignored — when the paper says Europe should "develop monetary cooperation between the major currency blocs with the aim to avoiding excessive exchange rate instability."

If a single phrase caught the paper's sense of social protection to attract business.

nomic performance targets, and a simultaneously vague enunciation of social values, it came in this explanation of how the member countries could guarantee the success of European monetard

"Most European countries must be tougher on their current budget deficits, but at the same time sensitive to social developments. Only then will European countries achieve the sort of reduction in their current budget deficits to provide the room for maneuver we are seeking.

With wage policy a prerogative of national governments, the paper did not touch on one of the other areas where Mr. Lafontaine has brought a distinctly leftist tonality into the German govenument. He has called for European coordination on salary policy so that once the euro is in place a region or a state could not seek com-

petitive advantage by lowering salary costs.

Along the same lines, Mr. Lafontaine be called for minimum social standards, guardi against "social dumping," or the possibility that a state could use a comparatively low level of

### **Cost-Conscious Pentagon Supports Unilateral Cuts** In U.S. Nuclear Arsenal

By Steven Lee Myers New York Times Service

WASHINGTON - Driven by budget constraints as much as diminishing security threats, Pentagon officials are quietly recommending that the admin-istration of President Bill Clinton consider unilateral reductions in the Amer-

ican nuclear arsenal. Since the United States has already committed itself to drastic cuts in its nuclear arsenal, the Pentagon believes that unilateral reductions would have no effect on the country's ability to deter a

nuclear adversary. The recommendations, if adopted, would reduce the American arsenal below the 6,000 nuclear warheads allowed

### **BANK:** 2 Sides Near a Deal

Continued from Page 1

Rolf-Ernst Breuer. Pressure on other European banks to join the global wave of mergers, which has created a new class of financial giants, seemed certain to mount after the announcement.

Deutsche Bank's rival, Dresdner Bank AG, views a large-scale merger as a "very clear option," the chairman, Bernhard Walter, said on German radio

"I remain optimistic that all final details will be resolved satisfactorily," Mr.

Frank Newman, chairman of Bankers Trust, said, "Our organization is very enthusiastic about the opportunity to as soon as December. combine our businesses with those of shared his optimism.

On the Frankfurt stock market. Deutsche Bank's shares dropped in the afternoon after a powerful morning rally. By the close, they lagged gains in the broader DAX index, which rose 2.3 percent. Deutsche Bank shares finished at 109.90 Deutsche marks (\$65.30) for a gain of 2 DM, or 1.9 percent, after a rally

of nearly 6 percent earlier. As expected, stock for Bankers Trust surged, mainly because Deutsche Bank was offering to pay a 20 percent premi-um to the bank's closing price Friday.

Unlike the overall applause that accompanied Daimler-Benz AG's takeover of Chrysler Corp., which this month created the world's third-biggest automaker, a chorus of skepticism and caution accompanied Deutsche Bank's announcement late Monday.

"The details are not pretty," said a banking analyst at a London investment

struggled unsuccessfully to modernize submi. a Congress early next year. its traditional German business culture, now must integrate the culture of a U.S. firm with once known for a "freewheeling" ethos, according to Matthew Czepliewicz, London-based industry analyst at Solomon Smith Barney.

"I can make the numbers work on per," Mr. Czepliewicz said. "But doing the transaction is one thing and integrating the companies is another." By its own admission, Deutsche Bank has a weak record in the integration of foreign operations. It undertook a trenchant reorganization this year to try again to reintegrate its 1990 acquisition of the British investment house Morgan Grenfell.

It paid top salaries to lure talented bankers from other powerhouse investment banks, creating a patchwork of corporate cultures. But deep pockets at the German parent bank failed to retain the star-quality bankers, who have left in droves since last year, leaving the German giant with spiraling costs.

Most of those defections were in the United States, including the April departure of Carter McClelland, who ran the U.S. operations, and the mass exodus of 130 Silicon Valley technology dealmakers in July.

Bankers Trust, meanwhile, is also a patchwork with its own integration troubles. Under Mr. Newman, Bankers Trust acquired the Baltimore-based BT Alex. Brown investment-banking unit and the London-based NatWest European equities business of National Westminster Bank PLC.

"The cultural differences between Deutsche Bank and Bankers Trust are probably greater than the cultural differences between Deutsche Bank and Morgan Grenfell," Mr. Czepliewicz said.

by the first strategic arms reduction treaty, or START-1, senior administration officials said.

The United States and Russia have signed a second arms treaty, START-2, that would cut their arsenals even more sharply, to between 3,000 and 3,500 warheads. But for nearly six years, the Russian Parliament has refused to approve START-2.

Because of the delay, and U.S. leg-islation blocking unilateral cuts, the Pentagon faces the prospect of paying hun-dreds of millions of dollars to maintain, and soon to rebuild, nuclear weapons that the United States has agreed to scrap.

The Pentagon has spent \$95 million more over the past two years than it would have if START-2 had taken effect. Next year it would cost \$100 million more, and the year after that, \$1 billion.

The U.S. Navy, in particular, could be forced to pay more than \$5 billion from now to 2003 to refuel nuclear reactors and install new missiles on four Trident ballistic-missile submarines that would otherwise be dismantled.

In April 1997, the Pentagon submitted to Congress a highly classified report that outlined nine proposals for reducing the strategic arsenal unilaterally.

Neither Mr. Clinton nor Secretary of Defense William Cohen has made a decision on the recommendations, and a senior White House official said they would not do so until the Communistdominated Russian Parliament com-pleted its latest deliberations on START-2, which was signed in 1993.

Although Russian nationalists and Communists have vehemently opposed the treaty, the lower house, or State so truly prevail beyond her husband and Duma, has begun debate and could vote

The Pentagon's recommendations un-Deutsche Bank." But not everyone derline the stakes. The ratification of START-2 would not only rid the world of thousands of nuclear warheads, but would also save the United States billions of dollars that the Pentagon would rather spend elsewhere or that Congress

might allocate to other programs. Officials in Washington and Moscow agree that prospects for ratification have improved as the realization sinks in that Russia's economic problems have made it difficult for the country to maintain a nuclear force as large as that allowed by START-1.

'I'm reluctant to discuss at all Plan B," one White House official said of the Pentagon's recommendations, "when we have the best on-course momentum here in a long, long time for Plan A."

But if the Russian Parliament again rejects the treaty, officials in the Pentagon plan to recommend that Mr. Clinton seek permission from Congress to move ahead with unilateral reductions. bank that competes with Deutsche Bank. The officials said a decision could come Deutsche Bank, which often has as part of the budget Mr. Clinton will

Admiral Richard Mies, the new commander of the U.S. strategic arsenal, said the United States was committed to maintaining a "robust and credible force." But he suggested that this effort did not preclude unilateral cuts in warheads or the systems to deliver them.

"I think you will inevitably see us take some unilateral actions that we have to take to modernize our forces and maybe streamline our forces to some degree," Admiral Mies said in an interview last week at the U.S. Strategic Command headquarters at Offutt Air Force Base in Nebraska. "We're driven

by our own imperatives." He did not elaborate on what steps were under consideration. In recent weeks, however, Pentagon and administration aides have begun discussions with congressional staff members as they draw up next year's budget and decide whether to set aside enough money for a

larger nuclear force, the officials said. In each of the last two years, Republicans in Congress have put language in the Department of Defense's budget bills explicitly prohibiting reductions be-low START-1 levels by the United States alone. Some administration officials and members of Congress have contended that the legislation is necessary to press

the Russians to ratify START-2. Others dispute the effect that such legislation has had on the Russian Parliament's deliberation, and contend that unilateral reductions could revive a stagnant arms control process.

"The issue is, how much longer are we going to pay to stay at a higher level to retain some leverage over the Russians to ratify the treaty?" a senior defense official said.



The German defense minister, Mr. Scharping, at a wreath-laying Monday at the Tomb of the Unknown Soldier in Washington.

### U.S. Rejects Any NATO Shift

WASHINGTON — The United States rebuffed on Monday a suggestion by Germany's new government that NATO change its policy and declare it will not be the first to

use nuclear weapons in a conflict.

"It is an integral part of our strategic concept and we think it should remain exactly as it is," Defense Secretary William Cohen said. "It is something that is integral to the NATO strategic doctrine. There is

good rationale for keeping it as it is." Secretary of State Madeleine Albright relayed the same message to Rudolf Scharping, defense minister in the new government of Chancellor Gerhard Schroeder, during talks

in Washington on Monday.

The German foreign minister, Joschka Fischer, told Der Spiegel magazine in Bonn during the weekend that he had signaled to NATO's secretary-general, Javier Solana Madariaga, that Germany wanted to discuss the alliance's readiness to be the first to use nuclear weapons 'because we see things differently."

next April marking the 50th anniversary of the alliance will approve a new strategic concept U.S. officials said the no-first-use issue would also be discussed at meetings of alliance foreign and defense ministers in Brussels next month.

Germany sought Monday to reassure its NATO partners about any change in the alliance's option on using nuclear weapons. Mr. Fischer believed it was time to discuss doing away with the right to be first, but

Germany was not insisting on the point.
Foreign Ministry spokesman said in Bonn. "All questions of this nature have to be decided in consensus," the spokesman, Mar-

tin Erdmann, stressed. But Mr. Cohen, speaking at a Pentagon news conference, made it clear that the

United States was not ready for change.
"We think that the ambiguity involved in the issue of the use of nuclear weapons contributes to our own security, keeping any potential adversary who might use either chemical or biological unsure of what our A NATO summit meeting in Washington - response would be," he said.

### MRS. CLINTON: Tapping Her Savvy on Issues, She Becomes Year's Surprise Politician

Continued from Page 1

independent life she is more likely to lead after this is all over," Doris Kearns Goodwin, the historian steeped in the struggles of Eleanor Roosevelt, said of Mrs. Clinton's ability to forge a political identity beyond her charismatic, way-ward husband. "Hillary Clinton showed a certain kind of strength under enormous pressure, an ability to keep her public persona strong and classy while all the turnoil was going on about her. These are qualities needed in public life. Maybe it's going to be her turn next."

Some Democrats already speculate on whether she might eventually run for the Senate — her campaign popularity was high in her home state of Illinois - and his harrowing incumbency.

sidering how she was the first lady once mate projects, including children's is-demonized by critics as the unelected sues, a premillennial touring in behalf of demonized by critics as the unelected overreacher when her early health-care effort failed. Talk-radio conservatives have long delighted in finding her ambitious hand in such haunting issues as Whitewater.

"Well, now Hillary has become the Wronged Woman and has the sympathy factor, which is something everybody is much more comfortable with than the strong, determined Hillary," said Arianna Huffington, a conservative columnist, fascinated by the first lady's resilience at the side of her husband.

Ms. Huffington measured the upturn shrugs off public framiliation as elegin Mrs. Clinton's popularity even before antly as Mrs. Clinton,' concluded The

Such heady talk is remarkable con- said, retreated to more traditional help- tors" and his most enduring defender. national heritage, and her new book, "Dear Socks, Dear Buddy: Kids' Letters to the First Pets."

> her 19-state tour of speaking relentlessly. with special attention to burricane ravaged areas, and has national heritage trips planned to New York, Boston and Cali-

East with the president next month. "Nobody, save perhaps her husband,

Some Clintonites still rue her reported dominance in the White House's early opposition to an out-of-court settlement in the Paula Jones sexual misconduct lawsuit - the fuse that lit the sex-and-men-Mrs. Clinton remains in overthive after dacity scandal now before Congress. But they bless her steely performance

for scores of Democratic candidates. She since then in contending that the profit has just finished a tour of Latin America, lent was rooted in some "vast right-wing" conspiracy," and not in the president's outright denial of sexual dalliance about which he finally had to admit misleading formia, before she heads to the Middle the nation. Mr. Clinton also said he misled his wife.

"As the year unfolded, Hillary found this inner strength," said Anna Wintour, editor in chief of Vogue, explaining why the sex scandal, the columnist said, Economist. The first lady was hailed by the story was put on the cover. "I think when she abandoned the tough issues." The first lady, Ms. Huffington ruthless of her husband's spin doc- and goes forward, not looking right or and goes forward, not looking right or left. She told us she doesn't even read the

newspapers." The Vogue display coincided with Mr. Starr's latest Whitewater indictment of Webster Hubbell, the former Justice Department official and law partner of Mrs. Clinton in Little Rock, Arkansas. The first lady was repeatedly referred to in the indictment as the Hubbell "billing para net." This was an echo of the confrontation three years ago when a carefully composed Mrs. Clinton had to walk past a throng of journalists to go before a grand jury in Mr. Starr's unsuccessful attempt to

implicate her in Whitewater crimes. 'Hillary Rodham Clinton is not the kind of woman those men understand," Ms. Wintour said of the Starr investigators' frustration in trying to single out the first lady, only to see her become the pillar in the president's job-approval

rating. Senator Barbara Boxer, Democrat of California, who was re-elected with the aid of Mrs. Clinton, recalled the power of the first lady's several campaign visits at some of the worst moments of the year for the Clinions. "She had the courage to face the cameras, a courage that brought lot of people to their feet." Ms. Boxer said. "Her special quality is to see a larger picture than the daily travail of life." Senator Robert Torricelli, the Senate Democratic campaign chairman studied Mrs. Clinton closely in her tour and prized her passion for the task. "You could see the strain on her," Mr. Tor-

### DEAL: America Online and Netscape Talking

Continued from Page 1

the ability and the resources to change the competitive landscape overnight," said, according to Reuters.

The companies cautioned that the purchase negotiations were not complete. AOL said, "There can be no assurance that an agreement will be reached or a transaction consummated."

Both companies' stock prices rose as the Dow Jones industrial average reached a record high Monday. Netscape's stock was at \$41.875, up \$2.6875, a sign that the preliminary price of the deal, which values Netscape at \$38.19 a share based on Friday's closing prices, may not be high enough. AOL rose \$5.125 to \$90.

By buying Netscape, America Online. already the largest on-line service, with more than 14 million subscribers worldwide, would get control of Netscape's popular browsing software, as well as one of the most frequented Internet destinations, Netscape's Netcenter site, which sees 20 million visitors a month. AOL's home page on the World Wide Web is popular too, but analysts say it fails to attract many of the corporate

users that Netscape does.

Both the AOL and Netscape sites are "portals," or jumping-off points for people signing onto the Web, by adding Netscape, America Online would rival or surpass Yahoo! Inc., which operates the largest portal site, in the size of its Internet audience, according to many AOL users are unaware that the

the brokerage firm BT Alex. Brown. Portal sites bring together news, stock quotes, weather and other on-line information. Advertising sold on such sites goes for a premium, though few Internet companies are making profits.

Netscape dominated the market for browsers, or software used for viewing information on the Internet, until 1995, when Microsoft created its own browser. called Internet Explorer. By giving Explorer away and then by including the browser in its ubiquitous Windows operating system, Microsoft was able to quickly weaken Netscape's base.

Microsoft was also helped by AOL's decision in 1996 to make Internet Explorer the main browser for its on-line service. That contract expires in January, a deadline that probably spurred the AOL-Netscape merger talks. A survey by International Data Corp. in

July showed that Netscape's browser had slipped to holding 41.5 percent of the market from more than 80 percent in 1995, while Internet Explorer was up to 43.8 percent, including AOL's 16.3 percent. Were Netscape to be absorbed by America Online, subscribers to AOL probably would not notice much dif-ference, AOL could run the Netcenter site separately from its own and distribute Netscape software as Netscape does now. It could replace the Microsoft browser that is built into its software with a version by Netscape, though



James Barksdale, chief executive of Netscape Communications Corp.

default browser is a Microsoft product.
While AOL dominates on-line access in the United States - far surpassing membership in Microsoft's own
MSN.com — the rest of the on-line
world is more splintered.

An AOL venure co-owned by Bertelsmann AG of Germany is vying with Deutsche Telekom AG's T-Online service for leadership in Europe, but otherwise, numerous Internet service providers, cable companies and utilities compete to sign up Internet users. America Online this year bought CompuServe Inc., also a pioneer in its field, which gave AOL a much more extensive network in Europe and Japan.

ricelli said. "But what is most remarkable is that there was no one even close to being in demand like Hillary Rodham Clinton as a campaigner. Something powerful has taken place."

### STRIKE: Rail Workers Across Europe Protest EU Plans to Privatize Freight Traffic

Continued from Page 1

the social climate and threats to jobs. The strike halted many long-haul services in Europe, including the Thalys high-speed express trains between Paris

and Brussels and points farther to the north and the east. But the Eurostar highspeed service between Paris and London operated normally. The entire Belgian network was shut down, creating fresh woes for travelers whose journeys were disrupted because of a fire at Brussels' Midi station on

Friday that cut overhead power cables. The state railroad operator, SNCB, took advantage of the strike Monday to repair installations damaged in the fire. Neil Kinnock, the EU commissioner in charge of transportation, said the issue of rail privatization was not even on the agenda for next week. "The only item

for discussion," he said, "is a package

of essentially technical measures that are

designed to enhance the efficiency and

footing."
Mr. Kinnock said the proposals were broadly supported by the EU's 15 member states because they understand "that the huge loss in rail's share of the freight market has to be reversed if rail is to survive as a significant transport mode."

From 1970 to 1996, he said, rail's share of freight traffic in the 15 countries fell to 14 percent from 32 percent, while its share of passenger traffic fell to 6 percent from 10 percent, "and this despite continuing financial support from transport markets." governments."

the piecemeal breaking up of the railroads, as has happened in Britain, where organizations representing travelers report dramatic declines in the level of service and steep rises in ticket prices.

the attractiveness of rail freight and to harmonize the technical side of rail op-erations in order to ensure that international rail services compete on an even jor challenges to the conventional cul- and track divisions. ture and practice of the rail industry and to the traditional policies of some govemments.

But without radical changes, he

jobs," he said. "The great and con-will be a lot more debate before we see tinning menace to jobs comes from the that in rail transport," she said. way in which rail is losing shares of the

The measures proposed by the com-Unions fear the proposals will lead to mission include rules for allocating train Salonika paths and operating licenses, and for

The commission proposes to open up one-quarter of freight traffic to competition within 10 years. In fact, a commission spokeswoman, Sarah Lambert. warned, there would be no rail traffic said the process would probably take a worth speaking of within 20 years be- good while longer. "It took us 10 years cause of the intensitying challenge of to liberalize air transport and that was in cheap road transportation.

a global market with global pressures, so

"Our proposals do not pose a threat to. I think it will be a lot longer and there we

> The strike halted two thirds of sets, vices in France. In Greece, trains came a a halt in the two main crites, Athens and

Officials at the Spanish rail company, charging train operators for using the Renfe, said that some service was availtrack and other infrastructure. They also able on all lines and that passenger levels set out to ensure that rail service op were near normal. Portuguese rail workerstors are independent of the track man-ers walked out for one hour, causing Mr. Kinnock, a former Labour Party agers. Changes in this direction already relatively minor disruption.

### **Austria to Start Returning** Artwork Looted by Nazis

But Toughest Cases Aren't Covered by New Law

By Judith H. Dobrzynski New York Times Service

NEW YORK - Austria, whose Parliament has just given final approval to a law permitting restitution of hundreds of artworks seized by the Nazis, expects to return some works to their owners by Christmas. But the law will not resolve some of the toughest cases involving many of the most valuable works.

The law covers paintings, furniture and other artifacts held by the Austrian government, Culture Minister Elisabeth hrer said in an interview in New Work. After World War II, the government returned some works confiscated by the Nazis but also instituted an art export ban, refusing to allow people who had fled the country to reclaim all of their property.

Most of the cases are known, Mrs.

Gehrer said, because in January Austria's 10 state museums were ordered to review the provenance of works in their collections. The order followed an uproar over two Egon Schiele paintings that were lent by an Austrian foundation to the Museum of Modern Art in New York a year ago and then claimed by two American families.

But Mrs. Gehrer said the new law did not apply to the Schiele paintings, nor to cases like that of a Los Angeles resident, a niece of the renowned collectors Ferdinand and Adele Bloch-Bauer, who a claimed several important paintings

by Gustav Klimt. "These cases have to be dealt with by a court, and I am not a court," said Mrs. Gehrer, who was in New York to check the progress of a teacher exchange program between Austria and New York City schools.

Mrs. Gehrer said she expected restitution to involve perhaps 20 families and 400 to 500 items, including furniture, armor, coin collections and some paintings. Under the law, a seven-member advisory panel, including the finance and justice ministers, will review claims and offer advice on specific restitutions.

"Once the advisory commission gives its recommendations, we have to check the last wills and see if the claimants are indeed the rightful heirs" before resti-

tution can take place, she said.

Mrs. Gehrer said each family would decide whether to make its claim public. Many in the art world expect the first case to involve the Austrian branch of the Rothschild family, many of whose works hang or are stored in the Kunsthistorische

Museum and the National Gallery.

"All the facts are clear on that case," said Mrs. Gehrer, who added that the Austrian public, which in the past has been accused of foot-dragging on resti-tution if not ignoring the issue completely, now was aware of it and supported the new law.

"I attach particular importance to the fact that there will be no discussion of the value of these paintings in our con-siderations," she said.



A CZECH IN SLOVAKIA — An honor guard marching past Prime Minister Milos Zeman of the Czech Republic, left, and his Slovak counterpart, Mikulas Dzurinda, in Bratislava on Monday.

The Bloch-Baner case is being ressed by Maria Altmann of Los Angeles. She is named as a beneficiary in the will of her uncle, Ferdinand Bloch-Bauer, who owned seven Klimt paintings, including two famous por-traits of Mr. Bloch-Bauer's wife, Adele, as well as a famed porcelain collection and other paintings and property.

■ Plea to Auction Plundered Art

The World Jewish Congress wants the more than 2,000 works of art identified as stolen by the Nazis and now

held by museums in France to be auctioned off, Agence France-Presse re-ported Monday from New York, quotng a Congress official.

This request is to be formally presen-ted next week in Washington during a conference on the Holocaust organized by the United States. Ronald Lander, president of the Congress's Art Recovery Commission and head of the Estee Lauder cosmetics group, is then expec-ted to travel to France and other European countries whose museums also hold pieces plundered by the Nazis.

### Italian Leader Scolds Turks on Kurdish Policy

ROME — Prime Minister Massimo D'Alema told Turkey on Monday that it should show signs that it wants to re-solve its Kurdish problem peacefully and respect human rights if it wishes to join the European Union.

Speaking at his weekly news conference amid a dispute with Ankara over Italy's decision not to extradite the Kurdish rebel leader Abdullah Ocalan to Turkey, Mr. D'Alema said, "If Turkey wants to get closer to Europe, it should give signals for a peaceful res-olution of the Kurdish conflict and for the respect of human rights."

Mr. D'Alema said that instead there had been reports of "mass arrests of people who think differently, of lynch-

ings — painful reports."

He added, "Turkey should be giving signals of a completely different kind

than the ones they are. Mr. D'Alema, the first Italian prime minister to have been a member of the Communist Party, referred specifically to a report that the European Commission issued Nov. 4, which criticized l'urkey's human-rights record. He said the commission report talked of "destruction of villages, abuse of human rights, illegal arrests, persons beaten to

Turkey's relations with the EU turned sour after an EU summit meeting last December at which 10 East European countries and Cyprus were invited to join membership talks but Turkey was not. Separately, the Italian defense minister, Carlo Scognamiglio, said that a Turkish threat to exclude Italian companies from defense-industry contract

might harm its bid to join the EU.

Turkey had signaled that the Finmeccanica unit Agusta SpA was in the running for a \$3.5 billion contract to build 145 attack belicopters. But the Turkish defense minister, Ismet Sezgin, was quoted by the Anatolian news agency on Sunday as saying, "We will not invite a single Italian firm to participate in tenders to meet the needs of our defense industry or our armed forces.'

Mr. Scognamiglio said he was "dis-mayed" by Mr. Sezgin's reported comments. He added that during a meeting of the Western European Union in Rome last week, Mr. Sezgin told him he un-derstood Italy's position on Mr. Ocalan Mr. Ocalan leads the Kurdistan Work-

ers Party, which is seeking Kurdish antonomy in southeastern Turkey, and he is viewed in Turkey as a terrorist. The Italian Constitution forbids the

extradition of a suspect to a country where the death penalty is in force.

An Agusta executive appeared to brush off the controversy, however, saying the process of allocating such a large helicopter order would take several months. "By the time they have to make

a decision, let's hope the crisis will have blown over," the executive said. Meanwhile, the Vatican, in its first official reaction to Mr. Ocalan's arrest, said it recognized the aspirations of the Kurdish people and urged dialogue on all sides to solve the Kurdish issue.

#### BRIEFLY

### Opposition Leader Disputes Albania Vote

TIRANA, Albania - The opposition leader Saii Berisha accused the ''polit-ical mafia in power' on Monday of manipulating Albania's referendum on its first post-Communist constitution and

urged his supporters to rally in protest. Speaking at a Tirana hotel, Mr. Berisha said the police had signed ballot papers that should have been signed by local election commission officials.

An official result was not expected until Tuesday, but the Socialist-led government of Prime Minister Pandeli Majko said more than half of the electorate had voted in the referendum on Sunday.

"I call on Albanians to defy this," Mr. Berisha, a former prime minister who eads the Democratic Party, said of the

#### Turkish Conservatives Are Spared Graft Trial

ANKARA — Turkish parlis commissions ruled Monday against sending Prime Minister Mesut Yilmaz and former Prime Minister Tansu Ciller to the Supreme Court on corruption

charges, commission members said. Deputies from the two competing conservative parties headed by Mr. Yilmaz and Mrs. Ciller voted in favor of the two leaders — a sign the two rivals may cooperate in the search for a new government. Mr. Yilmaz's minority government. emment, mired in a quarrel over the sale of a state-run bank, is expected to fall on a no-confidence vote in Parliament on

#### Schroeder Rules Out Further Cuts in Taxes

BONN - Chancellor Gerhard Schroeder ruled out further tax cuts in a rebuff Monday to the right wing of his Social Democratic party, which has broken ranks on economic policy.

Mr. Schroeder, still smarting from criticism that his center-left coalition had bungled its first attempt at tax reform, said he could not reduce taxes beyond the 15 billion Deutsche marks (\$8.8 billion)

pady announced.

'My government wants a solid and stable financial base,' Mr. Schroeder told a conference on tourism. "With this in mind, a further reduction in taxes cannot be carried out.'

Social Democratic leaders in three of Germany's states have criticized the new federal government's tax reforms as too little to boost growth and cut unemployment, a central election pledge. (Reuters)

### Ukraine Opens **Trial in Spree** Of 52 Murders

Compiled by Our Staff From Dispatche

ZHITOMIR, Ukraine --- A man accused of savagely murdering 52 people in a killing spree went on trial Monday, more than two years after his arrest in western Ukraine.

The man, Anatoli Onuprienko, 39, bowed his head and ignored journalists and about 200 angry spectators who pushed into the court chamber to catch a glimpse of the selfconfessed killer.

"He's an animal, not a human being," whispered Yekaterina, a 64-year-old woman who strained to see over the rows of fur hats and coats. "They ought to hand him over to the relatives of his victims and the witnesses so that they can tear him apart."

The brutality of the murders, in which entire families were shot in their homes and set ablaze, rocked the nation between 1989 and 1996. Most of the killings occurred over a three-month period before his arrest in April

"He understands perfectly well what he did and admits his guilt, 3 said the state-appointed defense lawyer, Ruslan Moshkovsky. "In such simations, people understand" that clemency is unlikely, the lawyer continued, "but a person always has hope nevertheless."

Mr. Onuprienko stared straight ahead as about 15 policemen accompanied him into the regional courtroom and locked him in a metal defendants' cage.

In a calm, monotone voice, he told the court he was not a citizen of any state and declared himself a "prisoner of war." Otherwise, he studiously ignored the public gallery and stared at the ceiling. Mr. Onuprienko is charged with killing 42

adults and 10 children, a reign of terror that ended only when detectives discovered at his home a stolen hunting rifle that had been used in the killings The accused faces death if convicted, al-

though as a member of the Council of Europe, Ukraine has vowed to scrap capital pun-At one point in the investigation, the accused had said he heard voices telling him to carry out the killings but later pronounced himself mentally healthy. He told Judge

Dmitro Lypsky that he had been treated previously at a psychiatric hospital. He said his mother had died when he was 4 years old and his father and older brother had put him in an orphanage at age 7.

Later, after going through a string of jobs, he illegally left the country in 1989, drifting through Austria, France, Greece and Germany, from where he was expelled in 1995 after serving a six-month jail term for robbery.

Investigators say that Mr. Onuprienko followed the same pattern for each murder. targeting isolated houses, first shooting all the men to death and then massacring the women and children with a knife, ax or hammer. (Reuters, AFP)

#### France Tries 8 For Terrorism

PARIS — Eight suspected members of the banned Islamic Salvation Front in Algeria went on trial Monday in Paris on charges of smug-gling arms to Muslim rebels trying to overthrow the Algerian government.

They are suspected of belonging to a network headed by Djamel Lounici, a 35year-old Algerian under Lhouse arrest in Italy, where he faces trial. They face up to 10 years in prison each on charges of conspiring to comnit terrorism.

A French court has already sentenced Mr. Lounici in his absence to five years in prison for arms smuggling in another case concerning Morocco. Three other suspected members of the network have been jailed for 13 months to six



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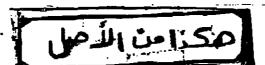








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### Rival Iraqi Groups Unite on Toppling Saddam

By T.R. Reid

Washington Post Service LONDON — Dissident Iraqi groups asked the United States and Britain on Monday to create a sanctuary inside Iraq where they could set up an opposition government to try to foment an internal uprising against Saddam Hussein.

Opening two days of talks with British and American diplomats, 16 bands of Iraqi exiles put aside their often-bitter differences and declared that the fall of Mr. Saddam could be achieved by an internal coup, if London and Washing-

ton were to provide support.

"The overthrow of Saddam is a job for the Iraqi people," said Nabil Musawi of the Iraqi National Congress, an umbrella organization for the many anti-Saddam political groups based in Lon-

don.
"If we had an enclave in the South of Iraq, or the West, protected by air cover. that would provide a space for a pro-

By Celestine Bohlen

ted from crisis to crisis. Yuri Luzhkov,

the pugnacious and energetic mayor of

Moscow, kept trying to jump-start his

undeclared campaign to succeed President Boris Yelisin, using every opportunity to muscle his way onto the na-

As the undisputed boss of Russia's

biggest city, Mr. Luzhkov already has a

political arsenal. With control over a

major television station, several key

newspapers and the country's second-

largest printing press, he has considerable sway over the news media. And with his grip on the city's large business and financial empire, he does not lack

Last week, Mr. Luzhkov filled the one

remaining gap in his political agenda with the creation of a national centrist party. To

the surprise of some political observers, it

"All of a sudden, there is a hysteria of

political love for Luzhkov," said

Mikhail Berger, editor of the daily news-

paper Sevodnya. Even Viktor Chernomyrdin, the former prime minister once anointed as Mr. Yeltsin's heir apparent, announced he would support Mr. Luzhkov for president, a sign that

the Moscow mayor's fortunes have

Yeltsin's shrinking political influence.

took off with a full head of steam.

tional stage.

MOSCOW - All fall, as Russia drif-

Exiles Ask U.S. and U.K. for Enclave in Iraq

The cold-blooded murder last Friday advisers, Mr. Luzhkov has blundered his

toppling Saddam."
Mr. Musawi said this plan was one of several proposals the Iraqi dissidents made in a meeting at the British Foreign Office on Monday with Derek Fatchett, the official responsible for British policy toward the Middle East.

The Iraqi exile groups will meet Tues-day in London with Martin Indyk, the U.S. assistant secretary of state for Near Eastern affairs, to make a similar pro-

The United States and Britain, leaders of the international alliance struggling to make Mr. Saddam comply with United Nations weapons inspections, have turned toward the traqi dissident groups, most of them based in London.

The West is looking for new ways to deal with Mr. Saddam, a survivor who has kept an implacable grip on power through seven years of financial sanc-

Moscow Mayor Plays Centrist Card

in St. Petersburg of Galina Starovoitova,

a leading liberal democrat, sent shock

waves through Russia's fragile body

politic, raising fears that time is running

Mr. Luzhkov, abandoning a brief flir-

has chosen to aim squarely at the political center. At a founding meeting on Thursday, he said his Fatherland party would steer clear of extremism and "about the political center of extremism and "about the political center."

sorb everything that's logical from the left, and everything that is logical from

That said, most Muscovites seem to

think the new party's real goal is to put Mr. Luzhkov in the Kremlin, even

though he still says he is only considering a run. Earlier this fall, Mr.

Luzhkov, once a loyal Yeltsin ally, took pains to distance himself from the en-

feebled president with a public suggestion that Mr. Yeltsin step down before

In the meantime, he has gathered in

several former Yeltsin aides, including

former the National Security Council chief, Andrei Kokoshin, and former Interior Minister Anatoli Kulikov.

More significant, the Luzhkov bandwagon has collected other names, and other forces, including some 20 regional governors, old-guard industrial management.

agers, labor leaders and even some mem-

Without a strong team of economic

out for rational debate.

his term ends in 2000.

taken a sudden lurch forward in the race bers of Moscow's new business elite, to fill the space left vacant by Mr. many of them beholden to city hall.

visional government to get started on tions and military threats since the Gulf

The United States has set up a \$97 million fund to support Iraqi dissidents. Prime Minister Tony Blair of Britain suggested in Parliament last week that increased dissident activity might be a more effective means of solving the Iraq crisis than threats and sanctions from the

Still, the session with the dissidents left the British dangling from a dip-

lomatic high-wire Monday.

Mr. Fatchett spent an hour with the dissident groups, all of whom have ex-pressed their determination to overthrow Mr. Saddam. After the session, Mr. Fatchett said his country was ready and willing to help the dissidents. But just when all seemed clear, Mr. Fatchett made things foggy: "To overthrow Mr. Saddam," he said, "that is not our nurrous."

aid, "that is not our purpose."

Mr. Fatchett was evidently making

way through the continuing debate over

how to extricate Russia from its eco-

nomic debacle, pledging support for

run on, a record that can boast of am-

bitious public works projects that have been finished in record time, special

benefits for the needy, and a central area

style, however, that has kept a tight control over the transfer of city property

and business to organizations closely

Mr. Luzhkov's political muscle is

most keenly felt by the Russian news

media. For the most part, they are openly loath to tangle with the mayor, or in-

vestigate the city's business dealings. Not

only has Mr. Luzhkov filed, and won,

only has wir. Litzikov filed, and won, numerous libel suits against offending publications, but he is also known to have doled out, and withheld, the kind of municipal favors that are often necessary for hard-up publishers to survive.

"To criticize Yeltsin in Russia today is completely safe," noted Otto Latsis, a solitical company for New Javestin in

political commentator for New Izvestia,

a daily. "But everybody is afraid of Luzhkov because the city has real

power. You may own your building, but

the land beneath it belongs to the city. If

Mr. Luzhkov also has an authoritarian

filled with huxury shops.

linked to city hall.

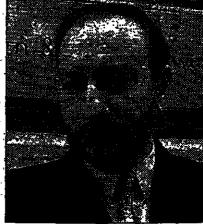
governments did not have the right to determine who should or should not be running the government of a sovereign nation, even a persistent enemy like Iraq.
But if the dissident Iraqi groups could find a way to topple Mr. Saddam's government, London and Washington would be satisfied with that result.

would be satisfied with that result.

"It is the traci people who should do
the job of toppling Saddam and his regime," said Hamid Bayati, head of the
Supreme Council for Islamic Revolution. "But they should be able to work
independently in their own ways to
achieve this objective."

■ Iraq Explains Objections to UN

Iraq sent a letter to the United Nations Security Council shortly before the body was due to meet Monday to explain its objections to handing over documents demanded by the chief UN weapons inspector, Reuters reported from Bagh-



Hamid Bayati leaving the Foreign Office in London on Monday.

The move came as Iraq's state media reported that the vice chairman of Iraq's Revolutionary Command Council, Izzat Ibrahim, had escaped an assassination attempt in southern Iraq on Sunday. The Iraqi press agency, INA, said Mr. Ibrahim was unburt in a grenade attack. BRIEFLY

### Bahrain Holds 6 In Sabotage Case

MANAMA, Bahrain — The government of Bahrain said Monday that six people had been arrested on suspicion of planning to carry out acts of sabotage intended to destabilize the Gulf state.

The Gulf News Agency quoted an interior Ministry official as saying that five of the suspects were from Bahrain and one was from Leb-

The official said the six had been accused of smuggling arms into Bahrain, and alleged that they had been trained in the use of arms and explosives at a camp in southern

### Iran Seeks Killer Of a Party Leader

TEHRAN — fran's judiciary chief, Ayatollah Mohammed Yazdi, called Monday for the prompt arrest of those responsible for stabbing to death a veteran opposition figure and his wife, the official franian press agency.

IRNA, reported.

Ayatollah Yazdi "expressed regret over the killing of Dariush Foronhar and his wife and ordered the prompt identification and punish-ment of the perpetrators," the agency said. The police said that so motive had been established in the killings of Mr. Forouhar, 70, and his wife, Parvaneh, 58, both out spoken critics of the government.

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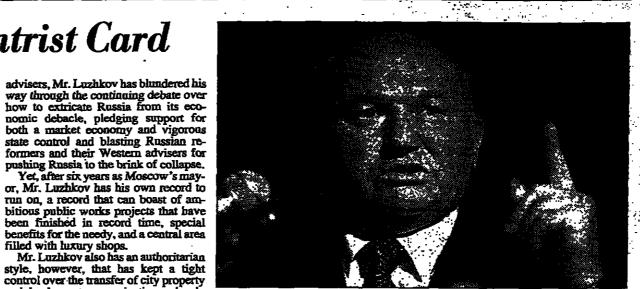
Mr. Forouhar was the leader of the Iran Nation Party. The group called last month for a boycott of elections to choose a ciergy-based Assembly of Experts that advises Iran's religious leader. (Reuters)

### Mrs. Clinton Vows More Storm Relief

PÍCNON, Haiti — Hillary Clinton ended a trip to the Caribbean and Central America with promises

and Central America with promises of additional aid for those struggling to rebuild after the hurricase designated Mitch.

In Hairi, the last stop on a 7-day tour, the U.S. first lady said Sunday that Washington would add \$2.1 million to a \$12 million relief packmillion to a \$12 million relies para-age. She also visited the U.S.-sup-ported Bienfaisance Hospital in Pignon and praised the facility's



Mayor Yuri Luzhkov speaking at an international conference last year.

you need to find apartments for your for mid-2000, Mr. Luzhkov's national employees, you have to go to the city. It effort still has plenty of time to fail. As

With the recent transfer of the Moskovskaya Pravda printing plant from the federal to the municipal government, city hall now controls the presses used by most of Moscow's major newspapers. 'He has enormous power in his hands, and he has created a structure that could

be easily abused," Mr. Berger noted.

The city of Moscow not only has a major interest in several popular newspapers, but it finances its own television station and a weekly newspaper that is now distributed free,

the economic crisis deepens, Moscow's glittery image as Russia's sole success story stands to get tarnished, and with it, Mr. Luzhkov's reputation as one of the few Russian politicians who can deliver: Already, money is running short at the city-owned television station and Mos-cow, like Russia, is now struggling to

keep up payments on its public debt.
Some experts say Mr. Luzhkov's strongest opponent could be Prime Minister Yevgeni Primakov, whose success at calming Russia's political waters over the last two months has lifted his stand-

#### With presidential elections scheduled ing in public opinion polls.

BEEF: Lifting Ban, EU Approves Exports of Meat From Britain

system their approval earlier this month, leading Franz Fischler, the EU's agriculture commissioner, to say before the meeting Monday, "We have the backing Mr. Brown said he hoped that would from scientists.

Britain's agriculture minister, Nick Brown, said, "We have done what we were asked to do and can justify Britain's position on the basis of science

and technical implementation."

Mr. Brown said Britain had agreed to one further cull — the slaughter of 4,000 offspring born after Aug. 1, 1996, to

cows infected with the virulent disease. aged 6 to 30 months. The animals would The final step, considered a formality have to be born after August 1996, when after the vote Monday, is for a team of potentially contaminated cattle feed EU inspectors to come here to certify that all the safety standards are in place.

take place within two months. The cost to the British taxpayers to shore up failing businesses and recompense farmers and slaughterhouses is expected to have reached the equivalent

of \$ 6 billion by 2000. The plan agreed to by the EU farm ministers on Monday will end export restrictions on deboned beef from cattle

from animal remains, the suspected cause of the outbreak, was removed from farms and feed mills. The volume of beef consumption a home has returned to levels existing

before 1996.

The difficulty of regaining consumer confidence and recapturing lost markets is evident from the experience of North em Ireland, which succeeded in having the ban on its exports removed in June, Meat companies there report sluggist activity, with exports reaching only a sixth of their levels before the ban.

Northern Ireland was entitled to an early easing of European restrictions because, as a security measure against cross-border raids and poaching, the province years ago put into effect the computer-based tracking system for its berds now being installed throughout Britain to meet EU demands.

Once the ban is formally lifted, Britain's Meat and Livestock Commission will be sending tens of thousands of promotional leaflets to importers, caterers and other customers in every major European language around the world in a bid to persuade to restock their shelves with British beef

A National Farmers Union spokes man said, "After almost three years we well aware that people have him find their supplies of beef from ease, where. The job ahead is to get them to start buying British beef again.

### YELTSIN: President Hospitalized Again

Continued from Page 1

automatically become president and elections would have to be held within three months. While the opposition Communists have long demanded that Mr. Yeltsin step aside, the latest illnesses have brought similar suggestions from the president's allies.

Mr. Yeltsin's illness added tension to a national mood already darkened by the brutal slaying of Miss Starovoitova. Mr. Primakov led a meeting of the security agencies, imploring them to crack down on extremism and corruption. Recalling recent anti-Semitic broadsides in Parliament, as well as racist statements against Caucasians, Mr. Primakov de-clared: "This is the road toward fascism.

We cannot go down that road. This must

Mr. Primakov dismissed calls from the Communist Party leader, Gennadi Zyuganov, to declare a state of emergency. "We will not resort to any measures that might lead to elements of dictatorship in the management of the country." the prime minister said.

But Mr. Yeltsin's absence once again left many doubts about who is running Russia and unleashed fresh speculation that his power is waning.

"This is a series of illnesses that indeed testify to the inability" of Mr. Yeltsin "to fulfill his duties in full," said Alexander Shokhin, a leader of the centrist Our Home Is Russia bloc in Parliament.

### **CROSSWORD**



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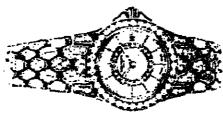


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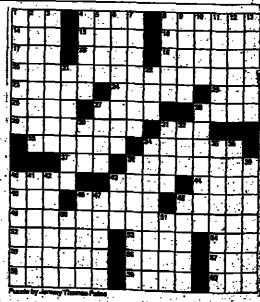
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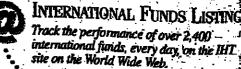
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ONew York Times/Edited by Will Shortze



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### *ASIA/PACIFIC*

### **Jakarta Toll and Suspicion Mount**

### B Dead in Attacks on Churches, and Some See Orchestration

By Cindy Shiner

JAKARTA - Christians on Mon-

said Roman Catholic Cardinal Julius runaatmadja. "It would mean that Although most shops on the street the people had been used for political where the church is situated were interests," he added, "and even worse closed on Monday, traffic was back to that religious issues had been used for those political interests."

Less than two weeks ago, 14 people, including several students, were killed Less than two weeks ago, 14 people, also returned to other parts of the city including several students, were killed where churches and Christian schools in anti-government protests that at one were attacked. But security forces point pitted moderate and conservative maintained a presence in several areas, Muslims against one another. Most of including in front of Jakarta's main those Nov. 13 deaths, however, occurred when security forces opened than a dozen riot police.

Were anaecked. But security forces maintained a presence in several areas, not cooperate with a new inquiry by a special commission into his wealth.

"If Suharto interrupts the investigation process, then the commission process, then the commission process."

the latest violence to 13.

\*Things would be much worse if it hall next to the Ketapang Christian Church, one of the those set afire Sunhacked to death in front of a gambling Muslim country, during times of politday. "It is anarchy. The law no longer works here."

where the church is situated were They are alleged to have amassed up closed on Monday, traffic was back to to \$40 billion during his 32-year rule, normal and food vendors returned to which ended in May after widespread their stalls. A semblance of normality unrest that claimed at least 1,200 lives.

fire on demonstrators outside Atma ... Mobs had threatened to attack the

ating chaos might further a particular According to witnesses, the violence political cause in a country with at least began before dawn Sunday after ru-300 ethnic groups spread across thousands of islands, but the mere perception of a conspiracy is enough to
bonese ethnic group, many of whom day sorted through the ruins of 13 ception of a conspiracy is enough to bonese eurnic group, many churches set afine by Muslim mobs in fuel popular anger against the countries set afine by Muslim mobs in fuel popular anger against the countries are Christians. But few Ambonese attended the Ketapang Christian Church. churches set affire by Muslim mobs in fuel popular anger against the compeligious—and ethnic-based violence try's leaders and its military. Some try's leaders and its military. Some that some authorities suspect may have believe that the government of Preschelment political by a conservative ident B.J. Habibie is fostering unrest in most of the members of his congregation were ethnic Chinese, as is the "Habibie's credibility is not supported by the people" said Petrus, a money-changer who said he had discovered Monday, raising the toll in watched as five people were stabbed or the latest violence to 13.

ical and economic turmoil.

The financial crisis has aggravated resentment against the elite, especially former President Suharto and his chil-

The attorney general of Indonesia, Mohammed Ghalib, said Monday that Mr. Subarto faced house arrest if he did

will propose a need to impose house Jaya University in central Jakarta. cathedral as well on Sunday, but they arrest or a travel ban abroad," the Antara Pew people can explain how cre- were stopped by the military.



CAMPAIGNING IN INDIA — Sonia Gandhi, president of the opposition Congress (I) Party, waving to supporters in New Delhi on Monday, the last day of campaigning before provincial elections. Wednesday

#### BRIEFLY

### Cambodia's Joint Cabinet Is Set

احك امن المناف

PHNOM PENH — Cambodia's top two political parties sealed a deal Monday that will place Prime Minister-elect Hun Sen and his Cambodian People's Party in firm control of a coalition government.

Enemies just a few months ago, Mr. Hun Sen and his coalition partner, Prince Norodom Ranariddh, joked as they signed agreements of cooperation and toasted the new government with Champagne in the company of senior members of both parties.

Mr. Hun Sen and Prince Ranariddh signed a joint political platform and a division of cabinet posts. The ministries of finance industry compares planning agriculture, public finance, industry, commerce, planning, agriculture, public works and foreign affairs will all be controlled by the Cambodian People's Party. Politicians from the prince's Funcinpec party will head the ministries of justice, tourism, information,

health, rural development and education. The list showed Mr. Hun Sen's party controlling 12 ministries and Prince Ranariddh's party controlling 11, with the two sides sharing the defense and interior portfolios. (AP)

### Burma Junta Foe Alleges Coercion

RANGOON — Daw Aung San Suu Kyi, the opposition leader, hit out at the military junta Monday, saying that recent mass resignations from her National League for Democracy had

been coerced but that party members' spirits remained strong.

"The greater the repression, the greater the support for our movement," said Daw Aung San Suu Kyi, looking confident and relaxed. She also accused Burma's military leaders of doing live to the confidence of the confiden little to ease economic hardship and said the introduction of a

ara press agency quoted him as saying. campaigning before provincial elections Wednesday. Democracy recently quit the party of their own free will. (AP)

### Malaysia Calls In U.S. Envoy

KUALA LUMPUR — The U.S. ambassador was statement of support for the opposition movement.

"We reiterated Malaysia's position that Gore's speech was an incitement of lawlessness and not simply a call of democracy as claimed," John Tenewi Nuck, ministry undersecretary for the Americas, told the national press

speech last week had been neither inflammatory nor disparaging and added that "Malaysians should look beyond attempts to miscast" it.

### Over 'Incitement' by Gore

summoned Monday to the Foreign Ministry so that Malay-sia could express its anger over Vice President Al Gore's

A U.S. Embassy spokesman, Chip Barclay, described the meeting as "cordial" and "a useful way to exchange views." Ambassador John Malott said that Mr. Gore's

In the speech, delivered at the Asia Pacific Economic Cooperation forum, Mr. Gore praised the "brave people of Malaysia" who have demanded democracy with the political reform movement started by former Deputy Prime Minister Anwar Ibrahim. Mr. Anwar was dismissed in September and is on triel on corruption and sodomy charges. Dozens of anti-government demonstrations have rocked Malaysia's capital since his arrest. (AP, Reuters).

### How China Plans To Rein In Army

By John Pomfret Washington Post Service

ZHUHAI, China — A setaking some pretty serious nior Chinese official, calling steps to bring the army interest of soldiers engaging der the control of the Communist Party and the state. normal," has reiterated China's commitment to get-

ting the Chinese Army out of the karaoke business and back to the business of defending the country. week, Liu Jibin, the newly appointed chief of the Com-

mission on Science and Technology for National Defense, a powerful organization that be able to accomplish the amserves as a bridge between bations military reform pro-China's government and its gram it has set for itself. often unruly armed forces, The reforms, announced also spelled out for the first July 22 by Mr. Jiang, involve time publicly how China hopes to reform its weapons procurement program. Westone of the keys to China's dream of becoming a regional

and world power.

In an hourlong briefing during the second International Zhuhai Air Show, in soff ern China, Mr. Liu appeared confident that China's attempt to rein in the army's smaller ventures run by brieneurial ventures succeed. He also entrepreneurial pledged that his civilian-run commission would assume control of imports and exports of weapoury, a move the army's major companies, that, if it succeeds, would be welcomed by Western nawelcomed by Western na-

to rogue states, such as Iran. Mr. Liu's attitude was not-companies now run by able in that the 50-year-old. China's seven military refirst-time minister seemed to gions, while counties and cithave little sympathy for the army's use of brothels, dance halls, pharmaceutical compa-step involves overhauling the

doing business," Mr. Liu wants, especially in aviation and naval materiel. To that budget was very small, so the military wanted to increase its March a new branch within income somehow. But these businesses belonged to a special historical and very abnormal situation, and we dissevered that this road wasn't his supervisory defense comgood for the army. The army mission.

Mr. Lin said the commis-

the University of Miami, lead in determining how the called Mr. Lin's comments a military got what it wanted

strong indication that President Fiang Zemin and Prime Minister Zhu Rongji "are

Ms. Dreyer observed that Mr. Liu, in calling the military-business nexus abnormal, "went beyond code phrases" in his critique of the army's business practices. "It In a rare interview last represents very blunt speaking from someone as high-ranking as Liu," she said.

Western military experts are skeptical that China will

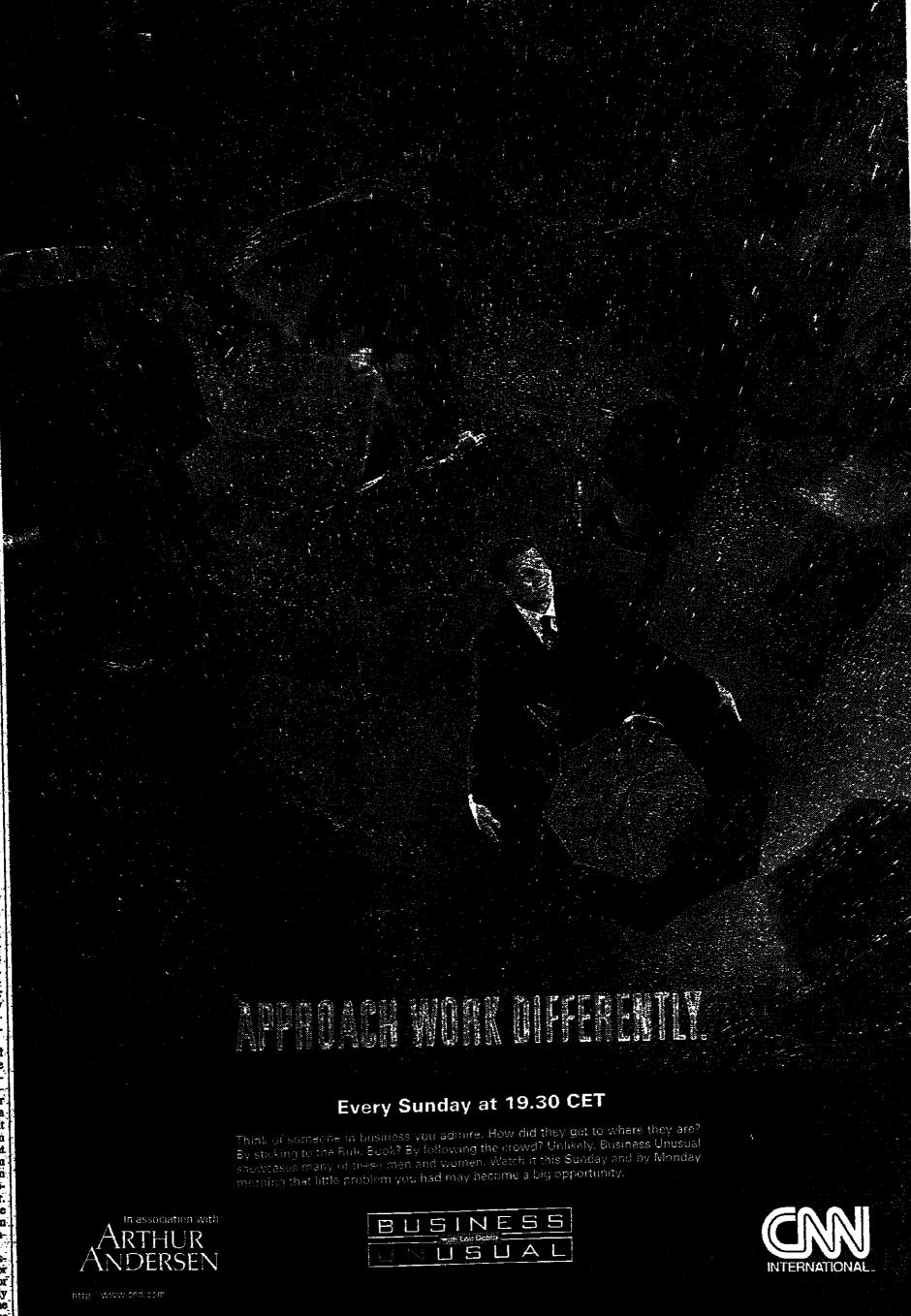
The reforms, amounced two simultaneous and complex changes in military management. First, the military is ern military experts say this is supposed to abandon its profit-making enterprises so it can concentrate on defending China, an enormous undertaking. The army operates thousands of commercial firms, ranging from giant cor-porations that are managed by the military's top brass to gades and battalions. Some of the army's holdings are even listed on the Hong Kong

Stock Exchange. By year's end, centrol of concerned about Xing Group, is to be trans-China's past practice of ferred to the State Economic selling missiles and nuclear and Trade Commission.
Reapons related technology China's provincial govern-

Mr. Liu said the second nies, golf courses and mo-military's weapons developtorcycle factories as a way of ment and procurement pro-bolstering its budget. "In the past, the military the last 20 years to give China the technological boost it the army, the General Equip-ment Department, which Mr. Liu said would be responsible

hot, it can develop some very sion would then arrange for unhealthy manifestations.

June Tenfel Dreyer, an expert on the Chinese military at that his panel will take the lead in determining here.



### Murder of a Democrat

The Russian reform movement has produced few leaders with an uncomising dedication to democracy. Galina Starovoitova was one, and her marder in St. Petersburg on Friday was a terrible loss for Russia. In a bleak season of economic collapse and political timidity, the killing can only beighten fears that Russia is slipping into an ugly era of intolerance and political violence.

Initial evidence suggests that the killing was a political assassination. arovoitova was gunned down in the lobby of her apartment building, shot three times in the head, typical of Russian contract killings. She was a member of the Russian Parliament and a recently declared candidate for govemor of the region around St. Petersburg. In recent weeks she had spoken out forcefully against political extremism, denounced the anti-Semitic statements of a Communist parliamentarian and was campaigning aggressively against financial corruption in the St. Petersburg municipal government.

Her activities were fully in character with a career built around principles of liberty, tolerance and the rule of law. She championed democracy and human rights long before they became politically acceptable in Moscow, and conrageously stood by Boris Yeltsin and other reformers as Russia struggled to find a new political course when the Soviet Union disintegrated.

An ethnographer by training, Ms. Starovoitova proved a skillful and effective politician. She first gained national attention a decade ago when she set aside her academic work about the ethnic history of Leningrad and ran successfully for a seat in the Soviet Parliament from Armenia, a startling victory for a Russian. She later represented St. Petersburg.

Ms. Starovoitova was a woman of irrepressible energy and infectious enthusiasm. But her good humor and quick smile belied a steely commitment to combat the corruption and ethnic divisions that she correctly considered to be the enemies of Russian democracy. The least President Yeltsin can do is to hunt down her killers and bring them to trial. That would be the exception in a nation where political violence is rarely prosecuted. Her countrymen can honor her memory by following her example.

\_THE NEW YORK TIMES.

### **West Bank Withdrawal**

Nothing is quite so difficult, definitive and irreversible in international relations as handing over territory -especially handing over territory to a mer but still deeply distrusted foe. This is the significance of the first pullback that Israel is now conducting on the occupied West Bank under the terms of last month's U.S.-brokered Wye agreement. Not just religious and ultranationalist Israelis but also secular folk who merely want to live a normal life wonder whether the Netanyahu government is making a deal that will backfire. Yet enough of them understand the promise and necessity of exchanging Israeli-held territory for expended Palestinian security assurances to make this first withdrawal in nearly

two years a reality. The lands due to shift to Palestinian civil administration and/or military control in this withdrawal and in the two others scheduled in the next three months reflect exclusively Israeli security and political choices. These lands are scant, noncontiguous, intended to comfort Israeli settlers on the West Bank and crisscrossed by roads designed for exclusive Israeli civilian

these withdrawals to establish the initial geography of a Palestinian state but the Israelis so far insist that they are determined to block such a state.

Nonetheless, there is a deeper par-allel understanding of Wye. Said Defense Minister Yitzhak Mordechai, a realist and a leading advocate and negotiator of the withdrawal: "The slicing-up of the land of our fathers is a difficult, painful step. But in our return to our homeland after 2,000 years of exile, the return to the beloved land of Israel, changes had occurred there, and another population dwelled in it."

Yasser Arafat made essentially the same pitch for support of Wye on the Palestinian side. By signing the accord with an Israeli Likud government, he We managed to shatter the slogan of the Israeli extremists regarding the Greater Israel.

More agonies lie ahead on the negotiating path that the Israelis and Palestinians have chosen. They deserve respect for sticking to it — and the Clinton administration deserves credit for helping them do so.

-THE WASHINGTON POST.

### Guns vs. Butter

recent years is about to return. It will make even tighter the budget for next year, which was going to be impossibly tight anyway. The president and Congress will have four choices: deny the reatagon funds that the president himself now says it needs; provide the funds and make deeper cuts than either party has shown an inclination to make in domestic programs to offset the cost; somehow ease the current budget constraints; and/or cheat, by indulging in

The defense budget has been greatly reduced since the end of the Cold War, as it deserved to be. In real terms the total is down somewhere between a third and a fifth, depending on how you count. The uniformed chiefs have begua to warn that further cuts will make it impossible to carry out their instructions to be able to fight two good-sized wars at once, and neither party is prepared to reduce those instructions. The chiefs, in fact, say the budget needs to be modestly restored, and the president in September joined congressional Republicans in saying that he concurred.

Meanwhile, a long-standing change is about to occur in the budget rules which will allow money to be taken from domestic programs for defense, as well as the other way around. There and been a so-called fire wall between the two categories, so that members could cut defense as much as they liked but not use the proceeds to increase domestic spending, which had its own cap, and vice versa. In fiscal year 2000, the budget for which will be before Congress next spring, the fire wall is

scheduled to come down. The problem underlying all this is the misshapen nature of the balanced budget agreement that the president and Congress proudly reached last year. To get to balance while protecting

The guns-vs.-butter issue that has entitlements and granting a tax cut, it cuts in the third of the budget subject to the annual appropriations process. This includes the defense budget and what might be called the operating budgets of the domestic agencies, covering everything from air traffic control to the national parks. The great advantage from the politicians' standpoint was that they did not have to specify up front which programs would be cut; they just capped the amounts of money that would be available to the appropriators in the future.

The declining defense budget made the caps more plausible than they otherwise would have been, in that it reduced what would otherwise have been the need for cuts in domestic operations. That is the cushion that now disappears. Even with the cushion, the domestic total was scheduled to go down a percentage point or two in real terms. Now it will have to go down more or an alternative will have to be found. The president tried to deal with the problem in this year's budget, which itself was tight, by easing the caps without acknowledging what he was doing. He sought to make more room beneath them by crediting the appropriators

with savings elsewhere in the budget. It didn't work. Congress either balked at the devices, including the tobacco tax increase that the president proposed, or used them for other purposes. The administration may rely on such an approach again. It is legitimate, but it obscures a problem that ought to be more directly faced. Plenty of internal savings can yet be made within the defense budget; even so, in our judgment, that budget needs to be increased. That means that the appropriations caps must likewise be eased, and more of the fiscal burden explicitly

assigned elsewhere in the budget. —THE WASHINGTON POST.

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### A Second Federal, Democratic Superpower Soon

NEW YORK — When a settled version of the century's history comes to be written, expect a distinguished place to be reserved for a few days in early May 1950.

Europe, barely recovering from war, was fractured, tense and poor. The Communist putsch of 1948 in Prague had confirmed what had first been visible in the summer of 1945 — that Europe was divided into two hostile camps. France had been unable to find the political, or perhaps psychological, resources to welcome West Germany as a partner in peace and democracy. The Labour government in Britain, led by great men who in five years had transformed the social order of their nation, was exhausted.

Across the Atlantic, the American idministration was daily more disturbed at the state of the world. With good reason; the very next month, Communist troops on the Korean Peninsula would sweep south and take Seoul. Not yet five years after Hiroshima, the world faced the prospect of renewed war, a war that could escalate into a nuclear Armageddon.

Dean Acheson, the American secretary of state, had enough on his plate without having to worry about Western Europe. Frustrated at the apparent inability of the Europeans to take bold initiatives, he planned to meet that May By Michael Elliott

with his French and British partners in London, calling at Paris on the way. When he arrived in Paris he discovered that the ground had shifted.

Prompted by Jean Monnet, an old friend of Acheson's from before the war (and from those wartime years when Monnet had worked for the British government in Washington), French Foreign Minister Robert Schnman had devised a plan. He proposed that the coal and steel industries of West Germany and France — the source of war's infrastructure — be placed under a supranational high authority.

Schuman and Acheson then went to London, where Foreign Secretary Emest Bevin was enraged that such a scheme would, or could, be cooked up without his nation's participation. But Acheson never wavered; the Schuman plan, for him, was and would remain a key building block in the creation of a peaceful, democratic world. "The more we studied the plan," he later wrote, 'the more we were impressed.''

This coming January, 11 nations of Western Europe take another step along the journey that started in 1950. They will form a monetary union. As Euroland is born, the lessons of history

a matter of sole concern to Europeans. The reason is obvious: From the middle of the 18th century, local rivalries in Western Europe have had a nasty habit of turning into worki wars, of which the two in this century were just the most awful. Everyone has an interest in seeing that the richest chunk of real estate on the planet does not once again become

stained with blood. The only worthwhile

test of European integration is whether it

lessens the likelihood of war. Since 1950 it has done so, as the Schuman plan has metamorphosed into a customs union, and then into a single market which has now, in effect, beeach step along the way, the peoples of Western Europe have been bound

closer together. That does not mean that political violence has been abolished in Europe; witness Northern Ireland. But such violence has been localized. Full-scale war between West European states is now all but unthinkable:

It is now time for the European Union to lift its sights. "The crucial question," writes Lawrence Summers, U.S. deputy Treasury secretary, will be whether economic and monetary union makes Europe look inward or outward." Americans "hope and trust that Europe will play an active and con-

European integration has never been structive role on the world stage. In the immediate future, much will depend on how the EU handles its relationship with the countries to its east clamoring for membership. All that has been gained from the time of the Schuman plan will be lost if greater integration in the west of the continent comes at the price of relegating the east to a resentful second tier. Then there is the knotty matter of Turkey.

In the longer term, Euroland can — and probably will — look beyond its immediate borders. Sure, it is not a military superpower like the United States, and may not be one for some time. But that reality is less significant than is often thought. The deployment of Buroland's mammoth economic resources can have a strategic impact.

Christoph Bertram, director of Germany's Foundation of Science and Potitics, argues that the United States is wonderful in a crisis but lousy before one. It is now the Europeans, with their generous aid and investment programs, who ameliorate difficult conditions before they blow up into those crises that need the application of American military might. There is here the germ of a collaboration between two federal democratic superpowers that could make the next century more peaceful and happy than this one.

### The New Europe Will Have to Do Without Britain for a Decade

BRUSSELS — Something happened in a small town in Austria last month which lit the way forward for Europe. The occasion had drama, a collision between British dreams and European realities; comedy, spin doctors tripping over each other as they tried to limit the damage; and prophecy, a glimpse of Britain's exclusion

from Euroland not just until

2002 but for the next decade.

In Pörtschach on Oct. 24, the leaders of the European Union met for an informal summit. As October approached, it had become clear that nothing much was going to be decided. Discussions on a common foreign and security policy had made no significant progress. The prospect caused the British no pain: lack of movement on Europe never does. Old King Kohl, always

cosying up to the French, had been dethroned; the new man came from Hanover, not the Rhineland, and he spoke English, so Britain would no longer be out in the cold. Tony By Roy Denman

Blair was bringing with him some new proposals on de-fense. What with these and his knack of charming colleagues with his winning smile ("We have fundamentally changed our relations with Enrope"), all would be well.

It did not work out like that Mr. Blair's thoughts on de-fense occasioned interest, but they were widely perceived as diversionary. What dominated the discussion from the first evening was the fact that with the German elections over, Europe was again on the move. All were very conscious that in only a few weeks' time the 11member Euroland would be in business. The finance ministers would be grappling with the problems of running it.
The Austrians spoke of the

need for tax harmonization. Collaboration between Bonn and Paris appeared closer than ever. It emerged that whoever would be the new EU high representative on foreign policy, it would not be the British candidate. Political union was on the way.

More and more as the meeting progressed it became clear that the 11 of Euroland were going to be calling the shots. For the first time, the British ministerial team perceived, with a jolt, that they were out of

the European game. Like virtually the whole of the British political class for the last 50 years, they seemed unable to grasp that the European adventure is not about trade in cotton underwear but the creation of a federation. Robert Schuman said so in 1950. Walter Hallstein repeated it eight years later. Gerhard Schroeder has pledged "to drive forward the further development of a political union."

This returning emphasis on political union, and the new wind in Europe's sails, will change fundamentally the timing of when Britain will join

difficult to sell to voters. Its pros and cons have never been explained. The average Brit. insular and cautious by nature, has been brainwashed for years

nental tyranny.

Picture the scene in 2002. Mr. Blair has just won a second election: A referendum on the euro is in train. A federation in Buroland looms. In a village hall, a Labour politician is explaining, to the occasional catcall, the need for the local pub to bili its customers in curos. Then he may add: "And by the way we shall also need to join the European Federation. Westminster will become a would be well advised to be

armor-plated waistcoat. British politicians have never understood about federations because they have never lived in one. Had they done so, contributed this to the Interthe euro. Even on its own, the they would have been aware of national Herald Tribune.

euro proposition will be very an absence of angry crowds pouring through Munich and Zurich denouncing the tyrana of Bonn and Bern. These cours tries have shown that federation can be a highly successby a largely North American-owned press into thinking that sperity at home and influence the EU is a fiendish. Continuous, while fully respecting local traditions.

If British politicians do not understand this, now can they convince a skeptical electorate? For the British political class to understand and explain the full implications of joining Euroland — the biggest change in the governance of England since Cromwell will take at least 10 years.

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Disraeli said that the British were slow to move. Only years of political and economic irbranch office of Brussels." He relevance will persuade them. For this they have to thank their wearing running shoes and an politicians and their press.

> The writer, a former repre-sentative of the European Commission in Washington,

### Italy Has a Chance to Help Both Turkey and the Kurds

WASHINGTON — Extra-dition need not be a black-and-white choice. The decision that the Italian government must make about the extradition demand of Turkey for Abdullah Ocalan should be seen as a political opportunity to satisfy legitimate needs for justice on both sides of the

A creative solution -- "extradition diplomacy" -- could open major avenues toward resolving the conflict. Italy can foster fruitful con-

Turkish-Kurdish conflict.

ditions in the extradition process. Already, the government of Turkey has yowed to do away with the death penalty. Mr. Ocalan has declared a cease-fire and pledged "halt terrorism." These gestures indicate a will-

government should use the ex- concern of the authoritarian tradition mechanism to promote military and the civilian gova net gain for human rights and peace in Turkey.

The process must begin with the assumption that Mr. Ocalan has in fact committed criminal acts of violence that place him in legal jeopardy. To consider him exclusively as a political actor is surely erroneous - it is very likely that he has ordered the execution of innocent civilians during the 14-year civil war - and would forfeit the value of having him in custody as, in effect, a bargaining chip. But Italy must be careful not to bargain him away without receiving much in return. Mr. Ocalan's Kurdish Workers

ernment it dominates. His arrest and trial, with the possibility of further actions on his part that in effect demobilize the PKK, remove the military's commanding rationale for its anti-terrorism laws, its state of emergency in the southeast, its repression

of open debate about the civil

By John Tirman

war, and its denial of Kurdish social rights including free use of the Kurdish language. Because of that repression, non-PKK Kurdish politicians have suffered greatly. The constimutional parties have been bludgeoned by the state. Turkish political dissenters and the nongovernmental sector, paringness to bargain. The Italian Party (PKK) is an obsessive ticularly human rights organi-

zations, have also been unfairly persecuted by the state. As a nolitical settlement of the war can thrive. It is this objective - the restoration of a nonviolent Kurdish

'center' and a sympathetic

Turkish civil society -- that Italy should consider as paramount and achievable. That is the route toward protection of human rights throughout Turkey and the chance for a political settlement of the civil war. Mr. Ocalan's extradition

could be conditioned on the following actions, possibly among others, by the government of Turkey:

• Unconditional release of jailed Kurdish parliamentar-ians, local officials and others prosecuted under anti-terrorism aws or similar provisions. Rescinding of the anti-ter-

rorism laws. Declaration of an amnesty for PKK soldiers

· Honoring of human rights conventions already signed which would obligate the government to compensate displaced villagers, among other

 Allowing Kurdish political parties which honor the territorial integrity of Turkey to compete openly for political power. · Rescinding laws and practices that prohibit the free use of

Tangible progress on each of these measures could be exacresult, few interlocators for a ted before Mr. Ocalan were returned to Turkey. His promise of a new peace initiative should also be tested, including demobilization of the PKK...

Europe and the United States should commit to support this kind of bargain with resources for economic development, re conciliation processes and the like. Backsliding can easily of cur, so it is imperative to structure further incentives and disincentives that may be beyone the scope of the extradition di plomacy itself.

Italy should keep in mind how fundamentally important the capture and prosecution of Abdullah Ocalan are to the Turkish state. A flat denial of extradition would embitter Turkish elites and quite possibly worsen the human rights sith ation in Turkey. A creative solution to the extradition crisis could achieve a significant reversal of fortunes for the Kurtiish people and a rapid improvement in the protection of harden rights for all citizens of Transpir

The writer is executive di-rector of the Winston Founda-tion, which provides grants to nongovernmental organizations working on arms control and conflict prevention. He contributed this comment to the International Herald Tribune.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: France and Italy ROME - The Treaty of commerce between France and Italy is regarded by all as a very important event. The first over-

tures for the conclusion of a treary came from the French Government. It is believed in diplomatic circles that the settiement was hastened by the Fashoda affair, and the desire of France for a rapprochement with the Triple Alliance, in view of a possible war with England. All the journals observe that the commercial treaty will inaugurate a period of friendship between France and Italy.

1923: Fancy Wedding

NEW YORK - The most sumptuous negro wedding ever held here will take place when May MacWalter Robinson will become the wife of Dr. Henry

Walker Robinson, who made a million or more by her process of removing the kinks out of negro ladies' and gents' haif. She had a palatial establishment in Fifth Avenue.

#### 1948: Television Next

CHICAGO - James Shouse, president of the Crosley Broad casting Corporation, said that television stands a good chance of replacing radio broadcasting He said television's "reperces sions within three or four years will have a more profound effect upon the social, economic and educational life of the United States than the automobile will in the first twenty years." F said that within five years "it entirely possible television will have become an integral part of the lives of 20,000,000 of 30,000,000 families," influen cing their daily habits and think ing. The impact will be rev

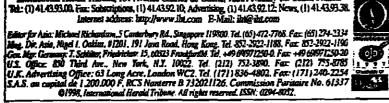
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No to a Taleban-Style Pakistan

CANBERRA — Pakistan's Prime Minister Nawaz Sharif recently went much fur-ther than ever before in singing the praises of the ultraorthodox Islamic Taleban militia in Afghanistan. He commended its system of justice and its ability to bring "complete peace" and

security to the war-torn country. He even suggested that the Taleban's brand of "justice" was appropriate for Pakistan.

Mr. Sharif's ringing endorsement reconfirms Pakistan's continued commitment to the Taleban's continuing rule in Afghanistan, It flies in the face of the international community's increasing condemnation of the militia for its brutal theo-

cratic regime.

Since Pakistan was created as an Islamic republic in 1947, Islam has often been used for political purposes. Whenever Pakistani political leaders have needed a diversion from the country's deep-seated political, social and economic problems or foreign policy difficulties, they have found it convenient to invoke Islam to gather popular legitimacy. All of Pakistan's leaders have been guilty of such behavior. But never before has such a prominent Pakistani endorsed an Islamic system of justice and order such as the one

the control of the Taleban. The vision of Pakistan's founding father, Mohammed Ali Jinnah, was of a Pakistan

that prevails in the areas under

By Amin Saikal

wanted the best of what Islam and secular democracy could offer, without lending credibility to any form of theocracy. What Mr. Sharif seems to

want is not just to make Islamic Sharia law the supreme law of Pakistan, but a brand of that religious law similar to that imposed in Afghanistan. Many of the militia's practices are historically alien to the Afghans. They are condemned by the United Nations and the West. They are also condemned by a majority of Muslim countries.

Critics have rejected Taleban discrimination against women and girls, which denies them the right to education. Critics have also spoken out against the widespread and indiscriminate killing of Shitte opponents. The Taleban may have

brought a measure of security, and delivered prompt, if summary, justice in the areas under their control. But the movement has done so at a cost that no civilized society would find acceptable. The Taleban's rule is not embraced by the people. It is imposed by brute force. This is surely not what Mr.

Sharif would want to imitate, since it would involve his government in betrayal of the whole ideal for which Pakistan came into existence. That he has done so is a measure of his political desperation. He needs to enhance the Taleaccuses of masterminding the August bombing of U.S. embassies in Kenya and Tanzania. At home, Mr. Sharif needs popular support for a Sharia law bill. It has been passed by the National Assembly but is expected to be blocked in the Senate, where he lacks a majority. He must also defend his government against Pakistan's Islamic extremists, who are closely linked to the Taleban.

international recognition as the legitimate ruler of Afghanistan.

At present, the Taleban is rec-

ognized only by Pakistan, Saudia Arabia and the United

Arab Emirates. Saudi Arabia re-

cently froze its relations with the

militia because it is protecting the Saudi dissident Osama bin

Laden, whom the United States

Mr. Sharif wants more power for himself and his ethnic Punjabi supporters against the Sindhis, the Pathans and the Baluchis. He would thus establish a Punjabi-dominated regime similar to the Taleban's Pashtun-run theocracy.

His support for the Taleban is intended to disguise his own policy failures, which have brought Pakistan to the brink of bankruptcy, deepened its poten-tially fatal problems of govern-ability and increased its international isolation

The writer, director of the Center for Middle Eastern and Central Asian Studies at the Australian National University:

that had an Islamic identity but He needs to entrance me 1 area liberal, democratic polity. He ban's credibility if it is to gain International Herald Tribune; the granddaughter of Aleila olutionary," he declared.

هكذا من الأصل

### Clinton's Highest Crime: Stealing the '96 Election

By William Safire

be: Ken Stan succeeded in documenting the president's pre-watergate Sam was meditated series of perjunes this. In impeachment inquiries, Even The New York Times, in Congress cannot rely exclusively on outside investigators.

Rail Clinton's Next accept that impeachment sex We favoring censure over impeach on outside investigators.

ment, referred to Bill Clinton's Next, accept that impeachment than, but hitle different lying under oath about sex. We from, my old "congenital liar").
Mr. Starr failed to tie the per-

sistent presidential prevarication water, Travelgate and Filegate, Belatedly, he announced his inability to find presidential involvement in what some of us still consider White House abuses, permitting Representative Barney Frank rightly to demand to know why that was not made public before the recent elections.

Mr. Starr should promptly submit, and the court release, the suppressed reports on those investigations. Let's see who is "exonerated," lest the next Republican president's staff follow Clinton precedent to flip through the FBI files of 900 troublesome Democrats, and to use the Justice Department to clear the decks for patronage.

Indiciary Committee do now? First, forget about any help from Mr. Starr. His Whitewater indictment of Web Hubbell is

two years too late.

W ASHINGTON — At the in the back declared Mr. Sturr an House Judiciary Committee outlaw for during to defend the

had an election about that and Mr. Clinton won. Even if Kathleen Willey could produce DNA in the Lewinsky affair to five evidence of barassment, Mr. years of stonewalling in White Chinton has established his droit du seigneur and most voters think lying about it to a grand jury is no high crime. Instead, focus on what is

surely a high crime: stealing an election. For two years, the Clinton Justice Department has ducked prosecution of Mr. Clinton's "Asian connection." That multimillion dollar illegal overseas fund-raising scheme fi-nanced Mr. Clinton's comeback advertising blitz and was accompanied by a flip-flop in his China

trade policy:
Mr. Starr gave immunity to
John Huang, the middleman, but wants to know only about hushing up Mr. Hubbell.

what should Henry Hyde's attorney general, Janet Reno, adiciary Committee do now? will decide whether to ask for an independent counsel to investigate fund-raising by Vice President Al Gore, by Harold Ickes and — for decision by Dec. 7 — Sam Dash's last-minute stab by Mr. Clinton himself.



already refused to show Congress unedited internal memos of protest by the FBI director, Louis Freeh, and the prosecutor Charles La Bella. Both professional investigators are convinced Justice bureaucrats are hopelessly conflicted in going

after their chief executive. The Judiciary Committee should demand that the president order his attorney general to produce those and related documents forthwith and in full, including Mr. La Bella's addenda. If he or Ms. Reno refuses, such contempt of Congress should be an impeachment count.

But the impeachment inquiry must not abdicate its own re- ing impeachment judgments.

Will that date again live in sponsibility even in the unlikely infamy? Probably. Ms. Reno has event an independent counsel is event an independent counsel is appointed to dig into the Asian connection. Getting the truth is more important than punishing secondary culprits. Mr. Hyde & Co. should follow the Dash constitutional doctrine: investigate

> Call Mr. Huang, Charlie Trie, Bruce Lindsey, Johnny Chung and Mark Middleton. To save months, draft Mr. La Bella as special counsel. Plug into the top-secret report being prepared by the Honse's Select Committee on Chinagate, headed by the tight-lipped Chris Cox. If Chinese intelligence is identified as a source of funds, then Ju-

diciary must know it before mak-

by itself.

inquiry must be finished by this lame-duck Congress? The nation has no need more

History will hold all members.

Where is it written that this

Democrats included, to account.

vital than to protect its electoral process — a job that conflicted Reno Justice has botched and that cannot wait for the years it would take a new independent counsei.

A serious impeachment in-quiry would reach beyond perjury to inquire into the high crime that has been staring us all in the face. That is the White House solicitation of illegal funds from foreign sources, and the use of that dirty money to steal the 1996 presidential election.

The New York Times.

### LETTERS TO THE EDITOR

#### Two Views of Ocalan

Regarding the editorial "A Kurdish Opening?" (Nov. 20):
This Washington Post editorial on the

extradition of Abdullah Ocalan is outrageous in its promotion of a terrorist and its call to forgo justice for the thousands of innocent Turks and Kurds this butcher has ordered killed

The Kurdish Workers Party, under direct orders from Mr. Ocalan, has waged a ter-rorist campaign against the people of Turkey for almost two decades, costing the lives of more than 30,000 people. To suggest that Mr. Ocalan, a man who has mol-led his political vision after Mao Zedong's,

lish his utopia rivals that of Joseph Stalin, suddenly will turn into a defender of democracy borders on callous ignorance.

The Post has argued that the struggle of the Kurdish Workers Party was merely for increased cultural and civic rights. But suddenly The Post seems to understand that the goal of the terrorists was separatism all long. Hence, The Post is stating that Mr. Ocalan now should revoke his call for a separate state, denounce terrorism and show "a commitment to autonomy negotiations? for the Italian government to

grant him political asylum.

The U.S. government has declared the

nization that is involved in criminal activities. That a leading newspaper of a country that has suffered its share at the hands of domestic and international terrorism shows so little compassion and understanding for

Turkey's struggle is outrageous. GÜLER KOKNAR.

The writer is executive director of the Assembly of Turkish American Associ-

The Kurdish leader, Abdullah Ocalan, who has asked for political asylum in Italy, has declared a unilateral cease-fire. I be-Kurdish Workers Party a terrorist orga- lieve that the United States and the Euro-

pean Union should take this opportunity to put pressure on Turkey to stop its genocidal war against the Kurds and to solve this problem peacefully by granting the Kurds

JALAL JAFF.

#### Correction

In "Don't Blame the Press for a Job It Had to Do" (Meanwhile, Nov. 19), the quote "If there were justice, Cokie Roberts would resign, too" was misattributed. It comes from "Bad News for the Media Elite," by Michael Wolff, in New York magazine.

### Hollywood Can't Get **Royal Siam Right**

By Philip Bowring

able bedfellows. So it is not surprising that Thailand has thrown up roadblocks to a 20th Century Fox effort to shoot here "Anna and the King," a remake of "The King and I" — the 1956 movie starring Yul Brynner that was a tween Britain and Siam. screen version of the 1951 Rogers

احكذامن الدحل

and Hammerstein musical. the musical's portrayal of their revered mid-19th century King Mongkut, and attempts by Fox to rewrite the script to improve the presentation of the king have failed to satisfy them.

Some here feel that the new movie would right some of the wrongs of the old one. The trouble

#### MEANWHILE

is that the starting point of the Hollywood romance is so far from historical reality that the story might be better told about a fictional country and not Siam at the cusp of the modern era.

The musical was based on "Anna and the King of Siam," a fanciful but immensely popular work by Margaret Landon published in 1944. It is usually categorized under fiction. Mrs. Landon's book was based on two books by the original heroine of the tale, Anna Leonowens, a young British widow employed by King Mongkut to teach English to his many children. She subsequently wrote "The English Governess at the Siamese Court" and "The Ro-

mance of the Harem." The King Mongkut of "The King and I" is not evil. In some ways he appears as a sympathetic person. But the overall impression is of an exotic, ruthless, only semi-civilized figure. Splendor, concubines and cruelty are there in abundance. The no-nonsense, very British Anna is made to appear as wise, brave and beautiful, and also as a key figure at court which was very far from reality.

It is worth comparing the Landon/Hollywood version of King Mongkut with that conveyed by one my own forebears, Sir John Bowring. He would have had a better claim than almost any Westerner to have written a book entitled "The King and I."

Sir John was an all-purpose Victorian figure: utilitarian phi-

B ANGKOK — Hollywood and losopher, radical parliamentarian, passionate advocate of free trade and prolific author who became a controversial governor of Hong Kong and started a war with China. Sir John met King Mong-

Far from being a semi-civilized oriental despot, King Mongkut was The Thais always objected to a learned, liberal and enlightened man. He did not ascend the throne as Rama IV of the Chakri dynasty until he was 47 and had spent many years studying English, Western science and world affairs.

Sir John, himself a believer in both progress and education, was struck by King Mongkut's learning and wisdom, and by his desire to overcome vested conservative pressures to modernize his country and keep it free of Western colonialism. He described King Mongkut as "one of the noblest and most enlightened patriots the oriental world has ever seen." In an 1855 letter urging the Royal Asiatic Society in London to make the king an honorary member, Sir John praised "Mongkut's erudition and the encouragement he gives by example to literary and scientific inquiry.

Despite Sir John's own links to British imperialism, the trust between the two men was such that in 1867 the king appointed him ambassador plenipotentiary in Europe to negotiate on Siam's be-half with all European countries.

Sir John was a sharp critic of the Christian missionaries in Siam. They were given free rein by King Mongkut but despite tireless efforts made almost no converts. Sir John blamed this on their dogmatism and unwillingness to compromise with Siamese ways. They inveighed against local customs and portrayed Siam as the backward if exotic place with which Hollywood was later to identify.

But it was the missionary-Leonowens-Landon-Hammerstein-Hollywood version of the king that was to endure, not Sir John's view of a fellow liberal spirit. For him, Mongkut combined learning with an inquiring mind, practical goals for his country and devotion to his descendants — not least his suc-cessor, King Chulalongkorn (ruled from 1853 to 1910), greatest of all the Chakri monarchs.

International Herald Tribune.

### BOOKS

#### FAMBLY OUTING

By Chastity Bono with Billie Fitzpatrick. 259 pages. \$24. Little, Brown.

Reviewed by Jeannine DeLombard

FOR many, Chastity Bono remains frozen in time as the round-faced toddler who joined her parents on stage in their popular TV variety program. The Sonny and Cher Show." Like

most children of celebrities, Bono has lived her life in the shadow of her famons parents: She is known primarily as the daughter of the svelte, raven-tressed entertainer Cher and the late Republican Congressman Sonny Bono.

But in December 1990, Chastity

Bono found herself thrust into the limelight when she was outed as a lesbian by a tabloid newspaper, the Star. As she explains in "Family Outing," her "tabloid nightmare" led her first to retreat into the closet and then, finally, to come to terms with both her lesbian identity and her celebrity status by becoming a gay rights activist. The book, a cross between a memoir and a coming-out manual for homosexuals and their parents, integrates Bono's own coming-out story with those of several of her gay peers.

Bono's memoir simates her growing awareness of her sexual orientation in the context of her increasingly tense rely jonship with her mother, whose delight in her frilly and dainty little girl." was quickly replaced by anxiety about

dress, fronically, it was her more liberal mother who responded to Chastity's bomosexuality by throwing her out of the house. Just as mother and daughter were healing their rift through therapy and Chastily was establishing an independeat ideatity through her rock band, Cer-emony, the tabloids struck. Not satisfied with outing her, the tabloids harassed 20-

year-old Bono and her lover for a year. Bono recalls: "We immediately pulled out of the gay community and retreated into the closet. . . Anytime we left the apartment, we were afraid someone would break in while we were gone. We got rid of all incriminating pictures of us any pictures that showed us being the least affectionate." All this personal turmoil took place,

Bono reminds us, in the early 1990s, as the gay press debated the ethics of outing rities. It was only after a four-year struggle with depression, triggered by the outing incident, reinforced by her record company's decision to drop Ceremony and culminating in her new lover's death from breast cancer, that Bono embarked on a career of activism, writing for the gay newsmagazine the Advocate, serving as entertainment media director of the Gay and Lesbian Alliance Against Defamation and, finally, acting as spokeswoman for the Human Rights Campaign.

Although one might be tempted to dismiss Bono and her story with the same intellectual scorn so frequently dispensed to her parents, especially her ington Post.

personal experiences potentially offer valuable insight into the vexed intersection of gender, sexuality, politics and the media. One wonders, for example, how Bono, who as a teenager came to terms with her sexual orientation upon seeing the lesbian movie "Personal Best," and who as an adult served as a consultant for the TV show "Ellen," feels about her mother's early portrayal

Outing," which intersperses segments of Bono's story with more representative accounts of homosexuals from a variety of backgrounds, prohibits anything but the most cursory summary of the main events in Bono's life.

Rather than use her unique vantage point to provide a fresh approach to the backneyed geme of the coming-out story, Bono has instead produced a dull selfhelp book full of pithy advice ("Be who you are") and 12-step jargon ("From Acceptance to Empowerment: This Is Your Journey''). Although the recent brutal murder of a young gay man in Wyoming reminds us that the war against homophobia is far from over, surely the public-relations battle, if it is to be won, must be waged with insight and originality, not cliché and mediocrity.

whose work has appeared in several anthologies, wrote this for The Wash-

# her daughter's penchant for masculine- aggressively entrepreneurial father, her

of a lesbian in the movie "Silkwood." Unfortunately, the format of "Family

Jeannine DeLombard, a culture critic

By Robert Byrne

DOUBLE errors, where both players follow the same line of reasoning, except that one thinks he's winning and The other thinks he's losing, are usually the occasion of meniment among the speciators. But after all, in a well-played game, the players must divine each other's intentions. But then everything goes awry. One player calculates that he is heading right for out of his worst nightmarcs and tries something that fails utterly. He had a way out but the last step ehoded hun.

In the game between the grandmasters Alexander Shabalov of Pittsburgh and Andrei Istratescu of Romania in the World Chess Olympiad in Elista, Kahnykia, it is probable that the American was in the grip of the same halincination, but he was not put to the

The procedure with 6 Rg1!? against the Najdorf Variation of the Sicilian Defense is so rare that it is almost nonexistent. After 6. Nos 7 g4, Black has willyfilly been maneuvered into facing a Keres Amack The point of 11 Nes Qes 12 Q44 was that after 12 Bb7, Shabalov could anack the black queenside with 13 at, virtually forcing 13 ba 14 Ra4. Now Isratescu could not dream of castling queenside, while he also had touble mobilizing his kingside.

Istratescu fought back with 14...e5 15 Od1 of 16 Ro4 Ne5 (forced, after which the black lenight cannot reach the preferable post at e5) 17 Bf4 Ob6. The threat was 18...Nd3! 19 Qd3 Qg1; and when Shabalov stopped that by 18 Be3, the Romanian picked up a pawn by 18...Qb2. After 19 Nd5!, the threats were 20 No7 and 20 Rb4 Oa3 21 Rc5. Nc7 and 20 Rb4 Qa3 21 Bc5.

CHESS

Shabalov sharply sacrificed rook for knight with 21 Re51 dc to attack the black king with 22 Qc6 Rd7 (22...Ke7? 23 Bc5) 23 Ba6.

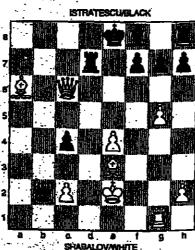
With: 24 Bb4? Istratescu pur his bishop on the wrong square. He should have played 24...Qc2 25 Kf3 Be7!, but he did not see how important it would be to obstruct the e file. He would then have had a viable defense after 26 Bb5 Qd3 27

	SICILIAN	DEFENSE	
White	Black Istr'sen	White Shab'lev	Black Istr scu
Shah'lov	. ES	15 Qd1	ef
2 N13	đ6.	16 Rc4 17 Bf4	Nes Obs
3 d4	od Nf6	18 Be3	Qb2
4 Nd4 5 Nc3	25	19 Nd5	Bd5 Rd8
6 Rgl	Nos es	20 Q45 21 Rc5	ďC
7 g4 8 g5	Nd7	22 Qc6	Rd7
9 Be3	Qc7	23 Ba6 24 Ke2	Bb4
10 f4 Li No6	b5 Qc6	25 Bb5	Qc2
12 Qd4 .	Bb7	26 KM :: 27 Be4	Qd3
13 a4 14 Ra4	ba,	28 Rdl	Resign

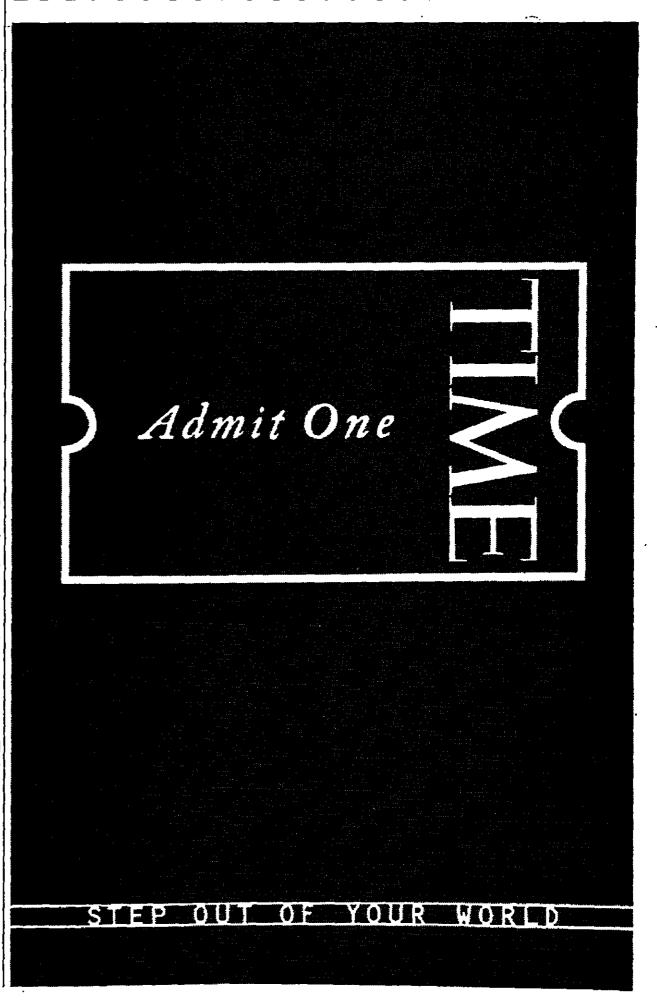
Istratescu fought back with 14...e5 15 Bd7 Kd7 31 ef Kc6 holds up. If 28 Rd1, then 28 fe 29 Qe4 O-O! wins outright for him. And if 28 gf?, then 28...O-O! 29 Rg? Kh8 leaves White totally crushed.

What threw both these stalwarts off? My hunch is that they concentrated on 28 Rd1 fe 29 Kg4 Qe3? 30 Qd7 Kf7 31 Rf1 Kg6 32 Qf5mate, not noticing that 29...Qe2! will draw by perpetual check or possibly even win.

In Istratescn's version of the defense, he realized that after 28 Rd1, 28...fe 29 Qe4 Qe4 30 Ke4 will end up costing him a rook, and he gave up.



Position after 24 Ke2



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### 'Velvet ${f Goldmine}$

Jonathan Rhvs Meyers as Brian Slade in "Velvet Goldmine," wearing a silver stretch vinyl hologram-patterned bodysuit, by Sandy Powell, below.





#### 'Elizabeth'

Cate Blanchett as Elizabeth in soft velvet dress and flowing hair in the film "Elizabeth," which was costumed by Alexandra Byrne, below



### Costume Drama: Mining the Past for a Moving Image

By Suzy Menkes

ONDON - He is the king of glam rock, prancing in a stretch silver bodysuit under a hail of feathers. She is the queen of England, her rusty hair, lusty chest and puffball skirt bouncing across green meadows. Four centuries divide the two characters, yet one thing unites them. Both are dressed in their hit movies by British costume designers who excel at period pieces

The best known of these drama queens is Sandy Powell, whose current movie is "Velvet Goldmine," directed by Todd Haynes, a take on the David Bowie period of the 1970s — all feather boas, floppy hats, faux leopard, bell-bottom pants and other tacky looks from the decade that taste

It is a far cry from the luscious scenarios of Powell's previous movies, from the painterly images in "Caravaggio" to the decadent Venetian richness of "The Wings of the Dove," for which she received an Oscar nomination.

"But I treated 'Velvet Goldmine' in exactly the same way as 'The Wings of the Dove,' 'says Powell. 'It was as hard, if not harder, because it was something in living memory.'' That was not the problem for Alexandra Byrne as she costumed "Elizabeth," the rollicking, romantic, quirky ver-

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sion of Shakespeare's Gloriana by the Indian director Shekhar Kapur, who makes the queen a feisty, feminist figure.

Byrne, who was brought up in Stratford-upon-Avon, Shakespeare's birthplace, and trained in the theater, followed a television success with Jane Austen's "Persuasion" by being Oscar-nominated for her costumes for Kenneth Branagh's "Hamlet." Her current take on Tudor England gives the flame-haired actress Cate Blanchett an aerated version of the hefty corset-and-ruff brocade gowns that usually clothe Elizabeth I.

"I didn't want heavy, draggy clothes — I wanted them like air-filled sculptures that move," says Byrne of the wafting fabrics in Renaissance colors and of the open-work embroidered white shirt that turns Joseph Fiennes, as Robert Dudley, Earl of Leicester, into an Elizabethan stud.

Current designs for period movies can best be described as 'virtual" costumes. They are meticulously researched (both designers create scrapbooks of pictorial references), but the idea is not to produce an authentic re-creation in all its mummified museum splendor. Instead there is an artist's impression with which a modern audience can identify.

That idea satisfies both directors and actors. Byrne says that Kapur specifically said that he did not want the "V&A" version of "Elizabeth," referring to London's Victoria &

"On the whole, directors don't want to alienate the the floor.

think that the characters are wearing clothes, not costumes,"

Powell gravitates toward directors who are "very visual." Her impressive 20-plus movies in 12 years have been mainly with two directors: the late Derek Jarman, who saw her there's development from free spirited young woman to the work and gave her a break with the 1986 "Caravaggio" and "rigid, bejeweled and powdered iconic image of Gloriana, used her for "Wittgenstein" in 1993; and Neil Jordan. Among her costume credits with Jordan are "The Crying Game" of that journey," says Byrne, explaining how the clothes start (1992), "Interview With a Vampire" (1994) and her current with no decoration, then take on large-scale patterns and finally project. "The End of the Affair," for which she is exploring bullion embroidery that "becomes more like armor plating." 1940s London.

Researching a movie goes back to Powell's training at Saint. "men in tights," but rather fabrics like Walsingham's crushed Martin's fashion school in London and in a theater course. For purple velvet that move with the body. 'Velvet Goldmine' she recalled herself as a schoolgirl cutting fashion pictures out of her mother's Nova magazine and pinning up images of David Bowie and Marc Bolan.

"I was II in 1971 and I had some quite strong memories," says Powell, who was even able to trace those images by finding the original 1970s clothes. She started by scouring flea markets and 'putting things together," but inevitably, most of the finds proved too skimpy, with their tiny armholes and tight

sleeves of an undernourished postwar generation. For British costume designers their "velvet goldmine" is the Portobello market in west London for antique clothes and Albert Museum.

Albert Museum.

Powell says she has enough trouble persuading actors to wear period costumes correctly, and will see the high-rise searching for inspiration, for Powell and Byrnemake costumes; pants of the past slouching on the hips and drooping at the costumes. sewing myself," sitting up half the night with pieces all over

embroidered fabric for the queen's dressing robe. Her Indian director also took her to ethnic areas of south London enabling her to "harvest" fabrics that could express Eliza-

of that journey," says Byrne, explaining how the clothes start with no decoration, then take on large-scale patterns and finally bullion embroidery that "becomes more like armor plating." The male wardrobes are also not the typical Shakespearean

HY do British costume designers seem so talented at creating period clothes without the weight of history? You could put it down to the period as-soaps series on British television. Powell thinks that Italian designers are as good and that maybe "Europeans have a better sense of history.

"I think Merchant-Ivory was the backbone of that look starting and that the English are better at detail," says Byrne who admits that her home in Bath, west England, tends to be furnished with "wonderful bits" of fabrics that end up in her

Powell pays her own work the ultimate compliment. The fashion-obsessed kid whose first thrift shop purchase at age 13 was a 1930s black lace dress appears for an interview in a sharp chalk-striped pantsuit. Looks familiar? You can catch it of

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### Clothes With a Noble Vintage

Make your dreams

By Suzy Menkes International Herald Tribuna

ONDON — When "Notting Hill," the new Julia Roberts-Hugh Grant comedy from the "Four Weddings and a Funeral" team, opens next year, the movie will set the seal of cool on the W11 zip code. The area is to the 1990s what Chelsea was to swinging London

movies through its vintage stores, which are a happy hunting ground for film stars and costume creators alike.

Virginia Bates is expecting to see one of her bias-cut lace dresses on Roberts in the new movie — just as when Liv Tyler suddenly appeared on screen in "Stealing Beauty" in "a

with delicate embroidery; there a Victorian velvet cape rat-tling with jet fringe; a 1930s brocade theater coat trimmed with panne velvet. Buckled moire silk shoes nestle beside ivory kid gloves, ostrich feather fans and beaded purses.

In her fishtail velvet Edwardian skirt ("I always wear silk velvet in the winter"), Bates is part of the picture. A former actress who appeared in Stanley Kubrick's "A Clockwork he area is to the 1990s what Chelsea was to swinging London
the 1960s.

Orange, "she set up shop 25 years ago, concentrating on her "passionate" period of the 1880s and 1890s. Extending her range up to the 1940s, her shop is now a magnet for models like Naomi Campbell, who buy the high-priced sinuous chiffon dresses, and for designers from John Galliano through Vera Wang, who are fascinated by the craftsmanship of the handmade pieces.

suddenly appeared on screen in "Stealing meant," wonderful chiffon dress I didn't want to sell."

Her store, Virginia (98 Portland Road, W11), is a cornucopia of exquisite pieces; here a sea-green chiffon gown closet, "If I was ever going to make any money, I would have to fall out of love with my clothes," she says. "It's harder and harder for me to

part with them." Sheila Cook (184 Westbourne Grove, W11) has a different take. For 20 years she had a prop-hiring com-pany that might furnish 20 sets of jewelry for a Victori-an ball scene. Her last big movie was "Evita," when the British costume designer

ow Cook is using her bold taste to gather goods for the new shop she will open next year. She scours the nearby Portobello market and looks anywhere "from house clearances right up to Sothe-by's and Christie's."

"I like strong design, whether it is a shawl, a dress

Penny Rose asked for appro-

or a piece of fabric - and the way it has been made," she says, pointing to the nursery pattern on 1930s curtains, the spectacular sweep of a 1980s straw hat, contrasting with the meringue lightness of an Edwardian one. With her historian's knowledge, she noted that in "Titanic," the period hats were worn low on the brow, instead of upstanding. Such is her sharp eye that costumers send her on a fabric

hunt and fashion designers rake through her collection of trimmings. How does she sort out the design from the

"It's what speaks to me, she says. "I'm quite a definite person - that's how I landed up in the film and TV



Virginia Bates, above, whose virtage clothing store attracts models and movie stars, and Sheila Cook,



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### Data Show Deflation

By Philip Segal

HONG KONG - Retail sales in tong Kong phinged 21 percent in eptember, one of the largest monthly rops ever, as government statistics parameted that deflation had set in for e first time here.

The figures also showed that Hong cong's economy appeared to be sinking wither into recession despite a surging took market and the tentative beginings of a recovery in real estate.

The composite price index screeched

a near-halt in October, rising just 0.1 eccent year-on-year. That was down rom an increase of 2.5 percent for the 2 months through September. Comrices fell 1.6 percent in October.

Anthony Chan, an economist with Hongkong Bank, said the data confirmed his belief that Hong Kong would prices fall an average of 3 percent in 1999 — marking "the first deflation in the history of Hong Kong," he told Agence France-Presse.

For stock investors and apartment buyers who have crowded back into those markets in recent weeks, the numbers may come as an impleasant surprise.
Investors have been responding positively to reduced interest rates in Hong Kong partly a result of three recent quarterpoint interest-rate reductions announced. by the U.S. Federal Reserve Board.

But some analysts say investors have made far too much of the rate cuts, given the reluctance of banks to lend money in the face of 5.3 percent unemployment a 15-year high — and the fear that in-terest rates could spike up again if a new emerging markets crisis were to hit.

'Liquidity's a happy pill that makes all the bad things go away," said Paul Schulte, a strategist at ING Barings. "We still have three miles of glass to crawl over." Before the figures were announced the beachmark Hang Seng index closed 2.7 percent higher, at 620,514.50 points, on expectations of

additional rate cuts. But away from the stock market, the picture has been far gloomier. The September drop in retail sales v worst decline for retailers since the economic crisis set in late last year.

### Hong Kong EU Finance Ministers Temper Their Calls for Rate Cuts

By Barry James

BRUSSELS - European Union finance ministers toned down thetoric in support of lower interest rates Monday, defusing a potential conflict with the European Central Bank, and strongly re-affirmed their determination to keep pub-lic deficits in check with the arrival of the European single currency, the euro, on

Jan. I.

"No one called into question the necessity of pursuing budgetary consolidation," said the European commission. er for monetary affairs. Yves Thibault de Silguy, as the ministers held one of their last meetings before the introduction of

monetary union by 11 countries.

Even the German finance minister, Oskar Lafontaine, who has been one of the most outspoken in pushing for lower interest rates to promote economic growth, issued a low-key statement in which he said that lower rates were appropriate for a growth strategy. He said the independent central bank also had the responsibility of fostering growth and jobs, apart from its primary

role of ensuring monetary stability. The ministers reached no solution on representation of the euro zone in international meetings such as those of the Group of Seven finance ministers and the International Monetary Fund. Most governments agree that the zone should

be represented by the president of the European Central Bank, Wim Duisenberg, and by the EU's council of ministers, but it has not been decided whether a member of the European Commission, the EU executive, should also be on the team.

The EU countries that are already represented on such international bodies Britain, France, Germany and Italy - contend that adding a commission spokesman would dilute Europe's voice in discussions with the United States on monetary and financial issues.

The finance ministers agreed that they would meet on Dec. 31 to set the rate at which national currencies will convert to the euro the following day.

The British chancellor of the Exchequer, Gordon Brown, meanwhile warned that he would block any attempt to impose "harmonization" of income taxes or corporate taxes in Britain.

"Tax harmonization is not the way forward for Europe," Mr. Brown said. "The new way forward is to make mar-kets work better."

Mr. Brown said Britain would have a veto on any tax proposals from the EU, 'and we will not hesitate to use it."

He has ruled out adopting the euro during the lifetime of the current British Parliament, which could last until 2002, and has said that a decision on eventual membership would be based on Britain's economic prospects at the time.

[A group of British executives at-tacked the government's delay on Mon-day, Agence France-Presse reported. A statement signed by 114 representatives of business, published in a full-page ad in the Financial Times newspaper, urged the government to make a com-

mitment to join at some point — preferably not long after Jan. 1.]

Treasury Minister Carlo Azeglio
Ciampi of Italy said adherence to strict deficit limits was "a given."

"We don't need to repeat the credo,"
Mr. Ciampi said. Earlier, finance ministers in the socialist group, representing most EU governments, issued a position paper in which they reaffirmed the need for fiscal and budget discipline.



### Can Deutsche Bank Succeed on Wall Street?

### Chief of Germany's Largest Bank Prepares to Take Risk in Planned U.S. Expansion

By Edmund L. Andrews New York Times Service

FRANKFURT -- As chairman of Deutsche Bank AG. Rolf-Ernst Brener has few illusions about the risks of a big expansion.

After all, Mr. Brener has spent most of the past two years trying to repair the damage from the last big move. As he now seeks to acquire Bankers Trust Corp. for about \$9 billion, the obvious question is whether Germany's largest bank will have any better luck the second time around.

The pressures and the challenges are enormous. Confronted with bruising competition both at home and in global markets, Mr. Breuer decided months ago that he could not afford to sit still. Yet if the past few years have shown anything, it is that Deutsche Bank has not yet learned how to cope with the culture and practices of Wall Street,

After taking over the British investment bank Morgan Grenfell in the early '90s, Deutsche Bank spent billions recruiting star-quality investment bankers from Wall Street and boilding big new trading operations in London

and New York. Yet the overall results were weak. Costs soared, profits were disappointing, and several prized U.S. dealmakers defected a few months ago to Credit Suisse First Boston. Despite intense efforts, the bank has a second-tier presence in the United States.

'Brener had to choose between doubling up or getting out of the business, and clearly they are now upping the stakes," said Mark Hoge, a banking-industry analyst at Credit Suisse in London. "My problem is in my con-fidence about Deutsche Bank's ability to manage this kind of a transaction. I don't believe that they truly understand

People close to the proposed acquisition argue that it

would strengthen Deutsche Bank in several ways. Bankers Trust would provide it with a substantial U.S. distribution network, they said.

Bankers Trust also owns BT Alex. Brown, a boutique investment bank that specializes in technology companies. That would fill a void created this summer, when Deutsche Bank's team of Silicon Valley dealmakers -

about 140 people — fled to Credit Suisse First Boston.

But the potential problems are significant. Bankers

Trust has run big trading losses in foreign markets including Russia, and analysts say it would be hard to spot other problems in advance of a merger. There is also speculation that Alex. Brown, which has lost executives since Bankers Trust acquired it, may push to spin itself off as a separate company.

Executives close to the negotiations said Josef Ack-

ermann, a Deutsche Bank board member who oversees its investment banking business, would be co-chief executive - along with Frank Newman, Bankers Trust's chief executive - of a combined investment-banking unit.

Mr. Breuer's strategy remains unclear. He has given ambivalent signals about his interest in a big acquisition. An investment banker who became chairman of Deutsche Bank in May 1997, he soon scaled back the sweeping ambitions of his predecessor, Hilmar Kopper.

At the time Mr. Breuer took control, Deutsche Bank

was still smarting from losses and bad publicity generated by a rogue mutual-fund manager at Morgan Grenfell, Peter Young. Mr. Young poured money into a raft of dubious start-up companies. Deutsche Bank had to pay \$300 million to settle with investors.

Mr. Breuer was also alarmed by soaring costs at the London-based Deutsche Morgan Grenfell. By late 1997, he had begun to veto some of the plans conceived by the

See BREUER, Page 15

### Thinking Alread /Commentary

### Let's Make Bananas, Not Trade War

By Reginald Dale International Herald Tribune

WASHINGTON - "The great banana split." "Have Europe and America gone bananas?"

Those are the kinds of headlines to which we are inevitably being treated as the United States and the European Union flirt recklessly with a trade war over bananas, a tropical fruit that neither of them actually grows in any ded to help France maintain its in- through the approved multilateral pro-But the banana war is no langhing

matter. It is placing unnecessary strains on trans-Atlantic relations at a time when Americans and Europeans should be cooperating to solve the the banana business and into the drug-global economic crisis and it is raising trade. serious questions over the future of the world trading system.

major commercial blocs are behaving erential system may have to be with petty irresponsibility just when changed or abolished. And the system on the change of the change with petty irresponsibility just when any ought to be setting a good example. For in this dispute both sides are at

fault. And to make matters worse, the Europe.

Geneva-based World Trade Organiza-Partic

European exports if the EU does not block judgments against them, as they quickly open up its enormous market, did under the previous General Agreeaccounting for 40 percent of world ment on Tariffs and Trade.

Latin America by U.S. corporations.

The EU grants preferential treat-ment to bananas from former British and French colonies, most importantly that the EU must modify its system, it to both major U.S. political parties. has not done so to Washington's sat
The United States is also threateni

nse of the European consumer. British officials retort that if the Americans get their way, the high-cost Caribbean nations will be forced out of

. But the EU has done little to help the Caribbean countries diversify their With protectionist forces flexing economies away from bananas in an-their muscles around the world, the two ficipation of the day when the prefbanana growers, but the people who market their high-priced produce in

Geneva-based World Trade Organization, which ought to be refereeing the fight, has made mistakes, too.

European tempers have flared since Washington threatened this month to retalizate with month to legalistic maneuvers. A main point of hundreds of millions of dollars of hundreds of millions of hundreds of millions of hundreds of millions of hundreds of hund

Washington, on the other hand, has undermined its case by undignified subservience to the demands of Chiquita Brands International Inc., the world's largest banana trader, and its in the Caribbean, and although the politically powerful chairman, Carl WTO, at American demand, has ruled Lindner, a lavish financial contributor

Mr. Breuer plans to

The United States is also threatening to weaken the WTO by introducing Americans say the system is inten- sanctions unilaterally rather than finence over former colonies, at the cedures. The WTO itself has not helped by vagueness about how its ruling against the EU should be implemen-

> It is quite absurd, however, that the United States and the EU should both in their own fashion be risking weakening the WTO's future authority simply to get their way on a mildly exotic yellow fruit that is hardly crucial to either of their economies.

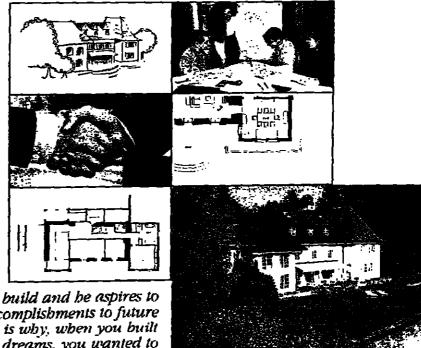
> No one has a greater interest in the effectiveness of the WTO than the world's top trading nations. Clearly Geneva is the place to settle this dispute, which means that Washington should suspend its threat of sanctions

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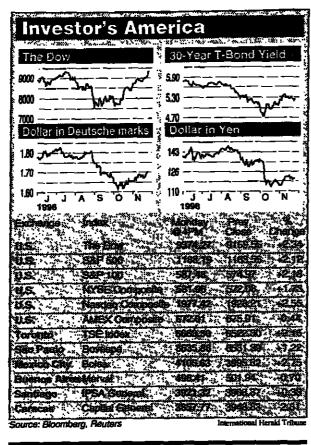
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#### Very briefly:

 AES Corp. of Arlington, Virginia, agreed to buy Cilcorp, an Illinois-based utility company, for \$1.3 billion in cash and assumed debt as the largest U.S. power-plant developer expands into the growing Midwest electricity market.

B.F. Goodrich Co. plans to buy Coltec Industries Inc. in a \$2.2 billion deal involving companies that make specialty chemicals, aerospace equipment and industrial products. The transaction is projected to save about \$60 million by 2001.

• Entergy Corp. agreed to sell CitiPower, an electric-power distributor based in Melbourne, Australia, to AEP Resources Inc. of the United States for \$1.1 billion. The move is part of a restructuring plan under which Entergy is focusing on core power-generating businesses to try to improve profitability. • BellSouth Corp. announced a 2-for-1 stock split and plans

to buy back as much as \$3 billion of its shares. • Hiring by U.S. companies will remain generally strong in the first quarter of 1999, particularly in the Southern states, Manpower Inc., a supplier of temporary workers, said in its latest employment outlook survey.

AFP, AP, Bloomberg

#### **Weekend Box Office**

The Associated Press LOS ANGELES — "The Rugrats Movie" dominated the U.S. box office over the weekend, with a gross of \$28

Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

1. The Rugrats Movie 2. Enemy of the State 3. The Waharbay 4. Meet Joe Black 5. ISM Know What You Did 6. The Slegte 7. I'll Be Home for Christmas	Paramount Touchstone Pictures Touchstone Pictures Universit Pictures Columbia Pictures Twestlath Century-Fox Well Disney	\$28 million \$20.3 million \$15.8 million \$8.6 million \$7.2 million \$2.5 million \$2.5 million
7. Fe Be Hope for Christians B. Pleasanville 9. Antz 10. Celebrily	Neu Disiry Neu Line Chema Dream Works Miranax	\$2.4 m(Rich \$2.3 m(Rich \$2.3 m(Rich \$1.7 m(Rich

The Trib Index		Prices as of 4:00 P.M. New York time					
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91.54	+ 0.26	+ 0.28	<b>— 4.6</b>				
228.57	+ 3.45	+ 1.53	+ 18.4				
277.27	+ 7.15	+ 2.65	+ 28.3				
95.76	+ 0.74	+ 0.78	<b>— 37.2</b>				
280.44	+ 8.43	+ 3.10	+ 35.7				
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200.45	+ 0.84	+ 0.42	+ 2.8				
137.60	+ 3.92	+ 2.93	+ 11.9				
182.49	+ 4.00	+ 2.24	+ 21.7				
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ernment officials resigned Monday over allegations they had tried to manipulate the \$19 billion sale of Telecomunicacoes Brasileiras SA, the national telecommunications company know as Telebras.

and other lenders. But President Fernando Henrique

Cardoso lost a key ally and eco-

Mr. Mendonca de Barros had been

istry" of production and was considered a key player in the privatization process. Mr. Cardoso is scheduled to name ministers for his

The other officials who resigned were Jose Roberto Mendonca de Barros, the brother of the communications minister, who was executive secretary of the Chamber of Foreign Commerce; Andre Lara Re- and Luiz Carlos Mendonca de Bar- refused. sende, head of the National Bank of ros said they were concerned that a

could make investors reluctant to port for his spending cuts. take part in future state asset sales. The sale of Telebras on July 29

Latin America. According to taped telephone conversations that took place before the sale of Telebras, Mr. Resende

main stock-market index rose five-party support base have asked (Bloomberg, AFP)

chosen to head a new "supermin-istry" of production and was con-close at 8,635.88. lose at 8,635.88. cern that the scandal would make it Still, analysts said the scandal harder for Mr. Cardoso to win sup-

> Mr. Cardoso said the resignations represented a loss to the nation and was the largest privatization ever in said they had been prompted by "the release of illegally recorded tele-phone conversations." He said he had asked the officials to reconsider their resignations but said they had

> > Federal police and the public at-Rio de Janeiro phone company, Tel-

AlliedSignal's cash offer of \$10 billion. The Tyco offer would give AMP shareholders \$51 of Tyco stock for each of their AMP shares, based on Friday's closing prices, while Allied Signal's offer was valued at \$44.50 a share. Tyco is offering to swap 0.7839 of a Tyco share for each share of AMP.

**AMP Takes** 

Higher Bid

From Tyco

The Associated Press
HARRISBURG, Pennsylvania — AMP Inc., the elec-

sylvania — Alvir inc., the char-tronic-equipment maker that had been fighting a buyout offer from AlliedSignal Inc., accep-ted a rival bid Monday of \$11.3

billion in stock from Tyco In-

products include fire-protec-tion systems, electronic secu-

rity devices and valves, topped

The offer from Tyco, whose

temational Ltd.

The Tyco deal also provides for AMP shareholders to re-ceive as much as \$55.95 for each of their AMP shares if Tyco stock continues to rise.

AMP shares closed at \$48.125, up \$3. Tyco finished up 37.5 cents at \$65.4375, and AlliedSignal ended up \$1.00 at \$42.8125.

The boards of Tyco and AMP have approved their agreement to merge into a company with more than \$22 billion in annual revenue and operations in more than 80 countries.

AMP, with annual revenue of about \$5.5 billion, makes electronic connection devices for the communications, automotive and personal-computer markets.

In August, AMP rejected AlliedSignal's offer and refused to negotiate with the company.

AlliedSignal tried to get AMP's shareholders to authorize an expansion of the AMP board to gain support for the offer, but a federal court

stopped the vote. Under the deal with Tyco, Bob Ripp, chairman and chief executive of AMP, would serve on the Tyco board and continue as president of AMP.

approval of regulators and of [14 both companies' shareholders. The companies say they expect the transaction to be completed in early 1999.

### 4 Brazilian Officials Quit in Telebras Affair

SAO PAULO - Four top govnew four-year term in early January.

The resignations appeared to defuse a scandal that threatened to block approval of spending cuts and tax increases in Congress, analysts said. The spending cuts are a con-dition for \$41.5 billion in aid from the International Monetary Fund

nomic aide with the departure of his communications minister, Luiz Carlos Mendonca de Barros.

Economic and Social Development, and Pio Borges, vice president of the development bank.

Brazilian group was likely to win torney's office are investigating the the bidding for the phone company taping incident, which could result serving Rio de Janeiro and were in the cancellation of the sale of the 'It is good news that they're leavlooking for other investors. ing because now a congressional investigation becomes less likely," Since Thursday, when Luiz Car- enorte Leste. The Brazilian group, los Mendonca de Barros was ques- Andrade Gutierrez, paid the min-tioned by senators about the tapes, imum price of 3.4 billion reals (\$2.9 said Carlos Hokama, a fund manager tioned by senators about the tapes, immorprice of 3.4 billion with Banco Credibano. Brazil's some members of the government's billion) for Telenorte.

#### \$5 Billion Deal To Link Insurers

The Associated Press

PORTLAND, Maine — Un-um Corp. said Monday that it would buy Provident Compa-nies Inc. for stock worth nearly \$5 billion to create the dominant U.S. company in disability insurance.

Both Unum and Provident provide disability insurance, but Unum's focus has been on group products, while Provid-ent's has been on individual products. "The merger creates the global leader in disability insurance, no matter how you look at it," said Catharine Hartnett, a Unum spokeswoman.

The combined company, UnumProvident, will provide disability insurance and special risk products and services. Unum and Provident said

they expected annual cost sav-ings of about \$120 million to \$130 million from the merger. The deal is subject to approval by stockholders and regulators.

Ms. Harmett said that there would be job cuts but that the

number had not been determined. Unum, which is based in Portland, has 8,000 workers, while Provident, which is based in Chattanooga, Tennessee, has about 5,000. Provident shareholders will

receive 0.73 shares of the combined company for each Provident common share, while Unum holders will receive one. share of the merged company for each Unum share.

### **Stocks and Iraq Tension Underpin Dollar**

marks in 4 P.M. trading from 1.6924

FOREIGN EXCHANGE

NEW YORK — The dollar also kept the dollar underpinned, trader at imbed to a two-month high against

The dollar rose to 1.7035 Deutsche Banken. climbed to a two-month high against the Deutsche mark Monday amid renewed tensions with Iraq and widespread expectations that U.S. French francs from 5.6755 francs, to "There seems to be a realization interest rates will not be cut further 1.4040 Swiss francs from 1.3935 that European growth isn't going to

in the near future. Dealers said the dollar had been firmation from Deutsche Bank that it was in "advanced stages" of negotiations to acquire Bankers Trust Co., the eighth-largest U.S. bank, given an additional boost by confor nearly \$9 billion.

The possibility of such a takeover contributed to a wave of positive soon after it took over monetary continued foot-dragging on such sentiment in the U.S. stock market, policy for the 11 countries adopting key economic stimulus measures driving the Dow Jones industrial average up sharply.

speculation that the European Cen-

riving the Dow Jones industrial the single currency, the euro, Jan. 1. should provide a springboard for verage up sharply.

"People are underestimating the further dollar gains.

Dealers said another health scare impact of the global slowdown on (Bridge News, Bloomberg)

for President Boris Yeltsin of Russia Europe," said Jan Erik Warneryd, a also kept the dollar underpinned trader at Skandinaviska Enskilda "Europe will be hit pretty hard,

> that European growth isn't going to be as high as previously thought.' A boliday in Japan made trading lighter and capped the rise of the

pan's governing Liberal Democratic Party, Hiromu Nonaka, on Monday ruled out a cut in Japan's consump tral Bank may lower interest rates tion tax, and currency dealers said

### MARKET: Dow, Completing Its Comeback, Sets New High

Continued from Page 1

that the economy was on sound footing. During August and September, several deals were shelved because of falling stock prices.

money into technology stocks, especially those related to the Internet, on hopes for strong profit growth. "I love U.S. tech stocks longterm — it's a sector that's still grow-

ing strongly," said Miles Berryman, at Coutts & Co. in London. Among the big gainers was the The Nasdaq composite index, "As interest rates fall, people on-fine retailer Amazon.com, which which contains many high tech stocks, tend to look at the equity market," rose 37% to 218, and Yahoo!, the rose 49.21 points to close at 1.977.42 said William Lloyd; at Barclays

Expectations for on-line shopping to increase sharply through the year-U.S. STOCKS

Investors also continued to pour end holiday season kept attracted buyers to internet issues. Netscape was the most active U.S. stock, rising 2 11/16 to 41% after the biggest maker of browser software said it was in talks to be acquired by Amer-

ica Online, the world's leading Internet come securities since the Fed began service provider. AOL rose 51/s to 90. triumning interest rates. Among the financial issues lifted Capital Inc. (Bloomberg, Reuters)

which rose 30 7/16 to 221 7/16. by the coattails of the Deutsche Bank-Bankers Trust deal were Citigroup, which rose 3% to 48 15/16, and Merrill Lynch, which rose 41/2 to 76. Gains in the stock market came at

the expense of Treasury bonds. The

price of the benchmark 30-year issue ended down 21/32 point at 99 27/32, sending the yield up to 5.26 percent from 5.21 percent Friday. Investors are showing greater de-mand for stocks and riskier fixed-in-

"As interest rates fall, people

The deal is subject to the

### U. S. STOCK MARKET DIARY

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# News Corp. Creates Unit To Expand on Continent

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LONDON - News Corp. said Monday it was creating a European subsidiary, News Corp. Europe, that would be based in Milan and would investments on the Continent. Rupert Murdoch, chairman of the

worldwide media and entertainment casting company RAI, would be chairman of the new unit. He also said News Corp. and the French broadcasting company TF1 were in advanced discussions with Telecom stalia SpA about a joint venture to develop the Italian pay-TV market. Telecom Italia, the country's teggest telephone company, would sold a 51 percent stake in the venture, Mr. Murdoch said, News Corp. would have 39 percent, held through News Corp. Europe, and TF1 would

wn 10 percent The move would be Mr. Murdoch's first major thrust into Coniental Europe, after aborted efforts in Germany and Italy.

pete with Canal Plus SA of France, Europe's largest pay-television

"There are only three European arkets of any size to make pay-TV

worthwhile: Italy, France and Ger-many," said Nicholas Bell, man-aging director of European equity research at Bear, Stearns & Co. "France is sewn up," he added. manage the company's push into Germany may be open at some point, but you need a local partner. That leaves Italy."

Shares of Canal Plus, which owns concern, said Letizia Moratti, former Italy's dominant pay-TV company chairman of the Italian state broad—Telepin SpA, fell 122 francs, or 8.5 percent, to close at 1,320 (\$233). Mediaset SpA, Italy's biggest com-mercial company, which has an op-tion on 10 percent of Telepin, fell 254

lire, or 2 percent, to 12,157 (\$7.29).

Mr. Murdoch's attempt to take over Mediaset, which is controlled by Silvio Berlusconi, failed this year. News Corp. has been talking with Telecom Italia for several months about buying a stake in its Stream pay-TV unit: Mr. Murdoch has also been in talks this year about investing in Kirch Group, Germany's secondlargest media company. But those talks have been "scaled down," Mr. Murdoch said Monday.

Mr. Murdoch said he would meet It would enable News Corp., in the next few days with Franco which already controls British Sky Bernabe, who became Telecom Broadcasting Group PLC, to com- Italia's chief executive Monday, to discuss the terms of the venture.

"We are both so far very much of one mind," Mr. Murdoch said. "It will either start very quickly or not ar all." (Bridge News, Bloomberg)

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Hong Kong

### Swiss to Keep Franc Down

VIENNA - The Swiss National Bank said Monday it would do everything it could to fight a strong Swiss franc when the emo was introduced, adding it would intervene in the currency market if need be.

"We do not exclude the possibility of intervening in the foreign-exchange market or money market to fight against devel-opments which would be considered out of line with economic fundamentals," Jean-Pierre Roth, vice president of the bank. said here. The central bank does not regularly sell Swiss francs or buy other currencies to reverse a rise in the Swiss currency.

The central bank's main goal, after maintaining price stability, is to keep the franc from appreciating against other European currencies and the dollar, because that would make Swiss exports less competitive and hurt the domestic economy. The bank also said a "clear option" would be to lower interest rates, which are already at a 20-year low.

But pegging the franc to the European Union's single currency "is not a feasible alternative," Mr. Roth said, calling the coming of the euro "excellent news" for Switzerland.

### **Ex-Soviet Economies** To Shrink 5.5% in '99

Growth Is Forecast in Rest of Eastern Europe

LONDON — Economies across the former Soviet Union will shrink 5.5 percent next year, their worst performance in five years, because of Russia's financial troubles, but the rest of Eastern Europe will show even stronger growth than this year, the European Bank for Reconstruc-

tion and Development said Monday. Russia will lead the decline, with its gross domestic product expected to fall 7 percent, compared with an estimated 5.5 percent this year, and its inflation rate climbing to 200 percent from 150 percent.

The bank, set up to finance free-market development in former Communist countries, said the most advanced economies in Eastern Europe, including Poland and Hungary, had proven their resilience to problems in Russia, where the ruble has been devalued by more than 60 percent since mid-August.

'This year there's been a deepening of reforms in some countries like Poland and Hungary and a back-tracking in some others," said Nick Stern, the bank's chief economist. at a briefing ahead of the release of its annual Transition Report.

Growth in Eastern Europe is expected to climb to 3.6 percent next nancing because of its debt default

this year, led by forecast growth of 5 percent in Poland and 4.4 percent in Hungary. The best economic performer in the region, however, is forecast to be Albania, with growth

of 7 percent. Across the former Soviet states, including Russia, Belarus and Turkmenistan, economies are expected to fall further from this year's estimate of a 3.6 percent decline to post the biggest slowdown since 1994, when economies in the former Soviet Union shrank 13.8 percent.

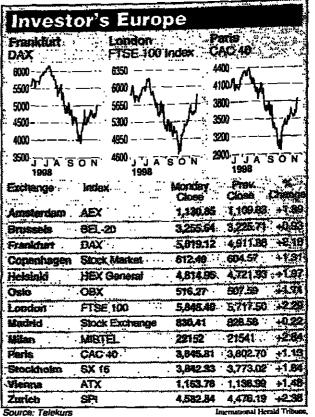
Mr. Stern said direct foreign investment in Eastern Europe probably would total \$15.4 billion this year, down from \$17.1 billion last year but still ahead of \$12.4 billion in 1996. Mr. Stern said foreigners were continuing to invest in the region, although on a more selective basis than before.

The pace of economic growth, while still strong, probably will be restrained throughout the region by Russia's economic problems, the bank said. Russia defaulted on \$40 billion of Treasury debt in August and abandoned efforts to protect the ruble, pushing hundreds of banks to the brink of collapse. The country was cut off from international fiyear from an estimated 3 percent and is negotiating to restructure a portion of its foreign debt.

We see the position in Russia as a short-term step backward as a response to a crisis by a government that knows it is holding the fort for a short time," Mr. Stern said.

Other countries that have backtracked on reforms are Belarus, Turkmenistan and Uzbekistan, he said.

The government of Prime Minister Yevgeni Primakov took office in Moscow in September, a few weeks after President Boris Yeltsin fired the previous government in August. Russia's next parliamentary elections are scheduled for the



#### Very briefly:

احكذات الدمل

 South Africa's economy contracted at an annual rate of 2.3 percent in the third quarter compared with the second - its worst performance since the end of apartheid in 1994 -- as interest rates rose sharply, stifling demand.

• Thyssen AG's elevator-making subsidiary agreed to buy the elevator unit of Dover Corp. for \$1.1 billion plus expenses from the transaction, as the German industrial giant seeks to expand in North America.

· Olivetti SpA will not face sanctions stemming from an incident Aug. 19, when the company's shares surged after it improperly disclosed information on business growth, Italian securities regulators decided.

Volvo AB will reduce the white-collar work force at its

automaking unit by about 1,000 and the number of consultants by about 250; the company had been expected to cut as many as 4,300 jobs as it tried to improve its profit.

• Rover PLC unions agreed to more than 2,400 job cuts at plants in Britain, a company source said. The automaker is owned by Bayerische Motoren Werke AG of Germany.

• Royal Philips Electronics NV will move its glass diode assembly operations from the Netherlands to the Philippines to cut costs. The move will cost 218 jobs at Stadskanaal in the northern Netherlands. AFP, Bloomberg, Reuters

### Siebe Plans to Buy Parts-Maker BTR for £3.7 Billion in Stock

LONDON - Siebe PLC, a British engineering company, said Monday it would buy BTR PLC, a maker of auto and industrial parts, in a £3.7 billion (\$6.13 billion) stock swap that would create one of the world's biggest makers of industrial controls and automation equipment.

The combined company would have a market capitalization of £7.6 billion and annual sales of £8.7 billion. Siebe shareholders would own 55 percent of the new company, to be called BTR Siebe, and BTR shareholders are to own the rest. -Analysts said Siebe was acquiring BTR, which

WORLD STOCK MARKETS

Monday, Nov. 23 Daily prices in local currencies.

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traces its history back 200 years, at a low price and wondered whether another suitor might emerge. "The industrial logic is without question," said Howard Wheeldon of Matheson Invest-

ment. "But the BTR shareholders on the shortterm basis will have every right to severely question this deal." BTR shares rose 38 pence to close at 133,

while Siebe climbed 28 to 243. Despite the company's completion of a radical restructuring this year, BTR's share price touched new lows last week amid analyst fears of

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price has also been under pressure, mainly on fears of a downturn in its main capital-goods markets in the United States and Europe. The deal is part of a wave of consolidation

among engineering companies, which are seek-ing to cut costs and extend their product ranges. The new company plans to cut 5,000 jobs, or 4 percent of its combined work force of 125,000, executives said. The cuts are to come in marketing, corporate staffing and elsewhere. The cost savings are projected to be £80 million in the first year, £160 million in the second and £250 end of 1999, and its next presidential

(Bloomberg, Reuters) election is set for 2000. further profit warnings ahead. Siebe's share million in the third. High Law Close Prev. High Low Clase Prev. Close Previ 10065 4830 8570 61300 4200 4010 7910 1200 19710 1942 4180 31900 21450 26850 13560 10955 10200 4940 42900 4335 4135 8050 12500 12500 12500 12500 12500 12500 12500 1120 Montreal 33.50 45.00 55.00 22.50 22.50 25.80 35.35 35.35 1970 1620 9621 3990 5092 3990 1680 92360 12360 12360 2470 2470 2590 6880 2170 2970 4400 5300 25.85 37.00 24.25 24.50 34.55 34.65 46.25 55.00 26.35 22.40 24.85 25.90 25.25 25.90 25.25 500 500 505 243 7100 145 343 **Markets Closed** The Tokyo stock market was closed Monday for a lo-cal holiday.



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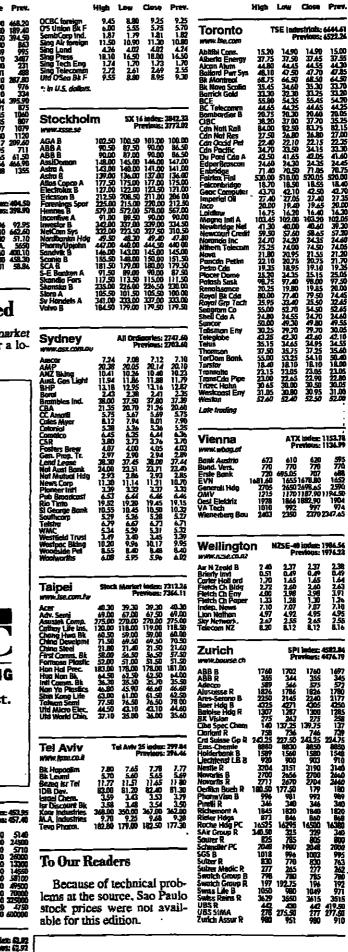
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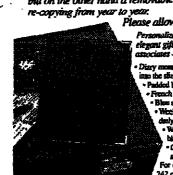
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### Singapore Turns Up Heat on Hong Kong

SINGAPORE — The Singapore market's bid to eclipse its financial competitors in Asia took a step forward Monday when its monetary exchange resumed trading in a futures contract based on stocks nearly identical to

the benchmark Hong Kong index. The Morgan Stanley Capital International Hong Kong Stock Index Putures contract was relisted on the Singapore International Monetary Exchange after a one-year break despite vehement opposition from the Hong Kong Stock Exchange. The Singapore ex-change said the contract got off to an "encouraging start" Monday with 672 December contracts traded; they settled at 7,416

points after opening at 7,280.
Officials of the Hong Kong bourse have complained that the contract — based on an index practically the same as the Hang Seng may be used by speculators to renew attacks on the Hong Kong stock market. Futures allow investors to protect them-

those who hold the contracts to buy or sell a in the region and turn Singapore into the security, currency or commodity at a pre-leading financial center in Asia.

on the ability of the Singapore exchange to properly regulate the Hong Kong-linked fuproses. But fears that the Hong Kong exchange would thwart the rival contract from ulations. Singapore officials say the futures the start - by withholding the live price data contract is not aimed at taking business away required to compile the index — were tern-from Hong Kong and have reassured their porarily allayed when the exchange exten-counterparts that Singapore regulators will ded a three-month grace period for information vendors providing market data to Morgan Stanley.

Singapore's decision to reintroduce a con- regulatory authorities cooperate so that spectract that had only marginal business during 'ulators would not be able to exploit dif-

selves against price changes by requiring of an effort to outdo its principal competitor

determined price during a stipulated period. While Hong Kong has recently intervened. The Hong Kong exchange has cast doubt to prop up its stock market, raising investor. prevent speculators from attacking the Hong

Previous discussions between the ex-Morgan Stanley may already have changes failed to resolve the issue. It took a sidestepped the problem anyway. It recently released the formula for the rival index on its Internet site, letting any traders with the real-time information calculate the index.

Size of the problem anyway is recently meeting between the Hong Kong chief executive, Tung Chee-hwa, and Prime Minister Goh Chok Tong of Singapore last week to ease fears. The leaders agreed to have their



five years of previous trading is seen as part ferences in trading regulations. (AP, AFP) Singapore's new market offering Monday

### Record Company Is a Hit With Japanese Teens but Not With Investors

By Gary Schaefer

Bloomberg News

TOKYO -- It took Avex Inc. only 10 years of pumping out hypnotic dance beats to become Japan's second-largest recording company. But Avex still has not found a way to

Reluctant to stake money on the whims of teenagers, fund managers gave a cool re-ception to Avex when it went public Oct. 1,

but they may want to listen up.

Avex, now second only to Sony Music Entertainment (Japan) Inc., owes its success as much to perspiration as to inspiration. While carefully test-marketing new artists to keep up with young listeners' changing preferences, management is diversifying its repertoire and even expanding overseas — steps that analysts say will allow Avex to defend and expand its

one-eighth share of Japan's 600 billion yen (\$5 billion) market for audio recordings.

"Avex is in a virtuous circle," said Michael Leichsenring, an analyst at Towa Securities Research Institute Inc. "The success of existing star artists is attracting promising new ones or prompting emerging artists to

ears: Last year, Avex grabbed 13 percent of compared with 1,716 at Sony Music. the market, close behind Sony Music's 17 Avex's methodical approach to ma percent, and Avex is forecasting a 13 percent is widely cited as the reason for its s rise in profit this year, while Sony Music recently slashed its earnings projection. Yet Avex shares trade at just 16 times its forecast earnings per share, compared with 21 times for candidates with intensive advertising cam-Sony Music. Analysts say its first-half profit, paigns. Promotional expenditures last year due to be released Tuesday, is likely to con-

firm that the hit factory is running smoothly.

Established in 1988 to import compact disks from Europe, Avex elbowed its way into the spotlight in 1992 when it introduced TRF,

the first Japanese dance group to climb to the at 5,000 y top of the domestic pop charts.

Bringing together the slick moves of five snazzy dressers and the synthesized sounds of a holiday. its producer, Tetsuya Komuro, TRF became

Avex's first million-seller. In an industry long dominated by compa-nies that have a thick catalog of artists and close affiliation with an electronics manufacturer, Avex has become a leader with facturer. Avex has become a leader with an assistant general manager at Tokyo-Mit-neither. It has relied on a small number of acts subishi Asset Management Co. "The feeling created by a smaller number of talented pro-

ducers, and the company pummels target audiences with precision-aimed advertising. Outsourcing manufacturing and part of its

The company recruits acts in high-profile pop trio Dreams Come True.

auditions, tests public reaction at discos and Lower record sales and higher advertising other venues and supports the most promising expenses forced Sony Music to cut its full-candidates with intensive advertising campaigness forced sony Music to cut its full-year profit forecast by 42 percent, to 37 were equivalent to 23 percent of sales, among

the highest in the industry. Still, Avex's debut on Japan's over-the-

counter market was clearly a flop.

Listed on Oct. 1, shares in Avex first traded at 5,000 yen, down from an issue price of 6,500. On Friday, the stock closed at 5,400, up 50. Markets in Japan were closed Monday for

Fund managers balked at the long-term unpredictability of profit growth in an industry in which today's star is tomorrow's has been the dice for investors," said Yoshio Inamura, is that if you're going to hold anything at all, Sony Music is it, because its relationship with

Sony brings some stability."
Sony Music's profit does not sound too bad

compared with 1,716 at Sony Music.

fails to impress listeners — as was the case.

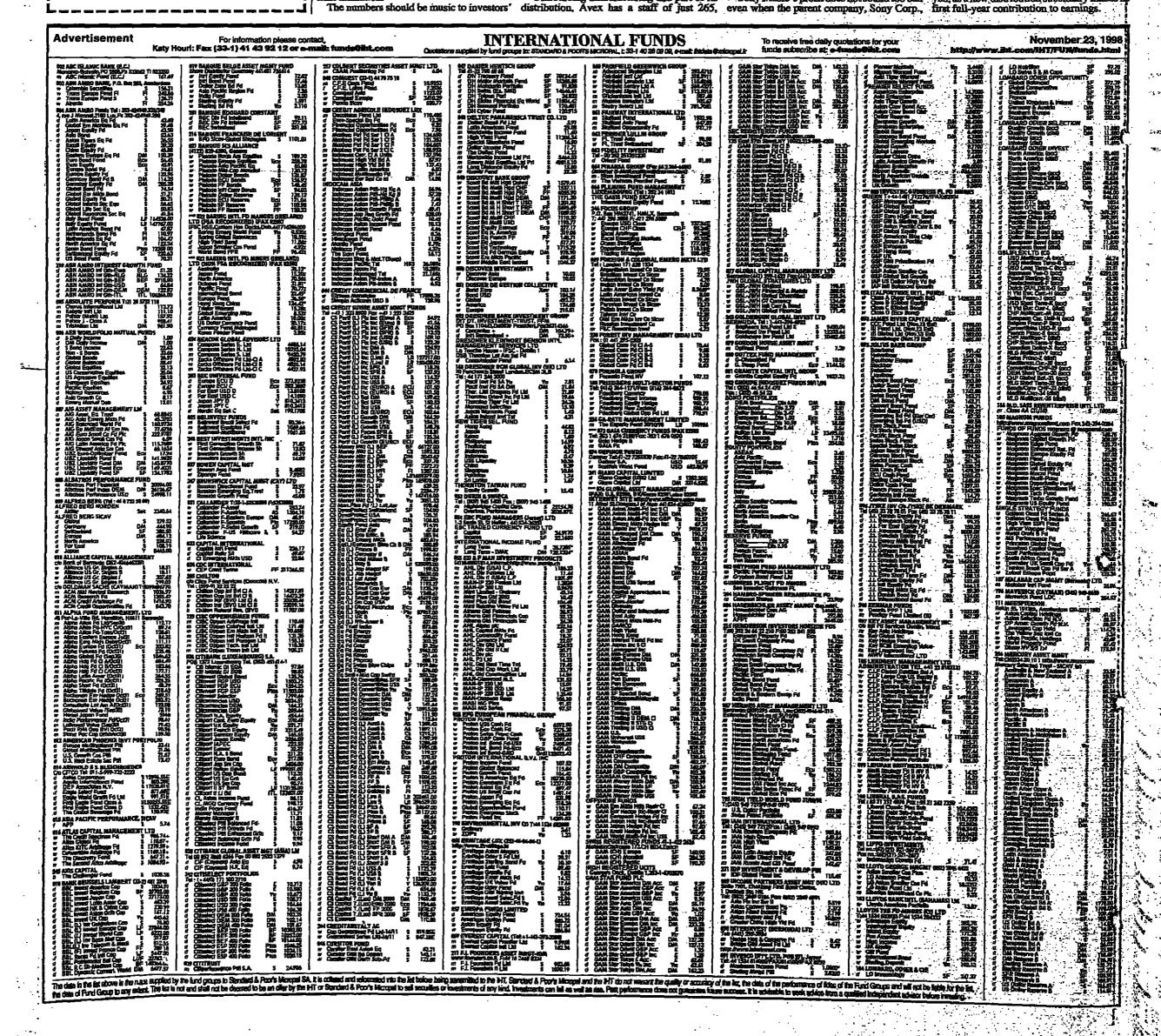
Avex's methodical approach to marketing during the first half of this year, when it could is widely cited as the reason for its success.

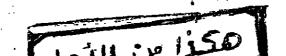
not match last year's best-selling album by the

year profit forecast by 42 percent, to 3,7 billion year, on Sept. 25. But it managed to raise its forecast for group earnings by 2 percent, to 32.7 billion, because of a coninbution by its subsidiary, Sony Computer Entertainment Inc., the maker of the popula

PlayStation video consoles. Sony Music, which is 71 percent owned to the world's second-largest consumer-en tronics company, shares ownership of Sony Computer with its parent

"Avex doesn't have anything to fall back on dictability of profit growth in an industry in if the hif machine sputters," said Yosuke Mif-ich today's star is tomorrow's has been. susada, a senior fund manager at NCG In-"The entertainment business is a real roll of vestment Trust Management Co. "If that happens, advertising expenses will really start to weigh on profits — just look at Sony Music.
On the day of its initial public offering Avex estimated that group profit would ris 13 percent this year, to 3.3 billion year Sale are projected to rise 10 percent, to 62 billion yen, as a new distribution subsidiary makes its first full-year contribution to earnings.





### Seoul Ends Pohang's Monopoly in Steel

Compiled by One Staff From Despatcher

Monday that it would end state run policy buteau of the Fair Trade Com. A commission official said the million tons of steel each.

"We will strongly promote new companies make steel from scrap.

The Fair Trade Commission also

SEOUL — South Korea said Kyn, director-general of the antitrust antironworks be separated and sold. duction capacity of more than 10

jump in to break the monopoly."

Pohang Iron & Steel Co.'s three-mission. "It doesn't mean Hyundai move would help the industry's In a further move to encourage fecade monopoly over the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will immediately competitiveness and speed the primary or foreign firms will be primary or foreign firms wi By throwing open the door to The government has long blocked ment has offered to sell only a small ment has vatization of Pohang. The govern-

> Steel Co. Thirteen South Korean practicality," said Chung Yeon Tae, blast furnaces, in Pohang and dumping steel. (Bloomberg, AFP)

18 Pohang sales affiliates a total of

tage soon. It would cost billions of foliars for a competitor to establish poly in the primary-steel business, which is that makes steel from ore, not steelmaker in the world after Nippon or the ste practicality," said Chung Yeon Tae, disputes with the United States, a company spokesman. The two which has accused South Korea of

Foreigners Cut

China Investment

The Associated Press

financial crisis, pledges of new

foreign investment in China

dropped 1.5 percent in the first 10

months of 1998 from a year earli-

er, a trade official said Monday.

Ma Xinhong, an assistant minister for the Ministry of For-

eign Trade and Economic Co-

operation, said contractual

promises of future foreign in-

vestment totaled \$39.41 billion

The total number of projects

approved in the 10 months was

down 4.2 percent from a year

foreign money actually invested

in China rose 0.9 percent, to

\$35.9 billion, as higher flows

Meanwhile, the amount of

this year through Oct. 31.

BEIJING - Hit by the Asian

### **HK Telecom** To Buy Star's Internet Unit

The Associated Press

HONG KONG - Hong Kong Telecommunications Ltd. said Mon-Afficiency—even though few analists expect Pohang to face a challists expect Pohang to face a challists expect Pohang to face a challist expect Poha day it had agreed to buy the unyear. But the company's monopoly give it slightly more than half of the territory's booming Internet market.

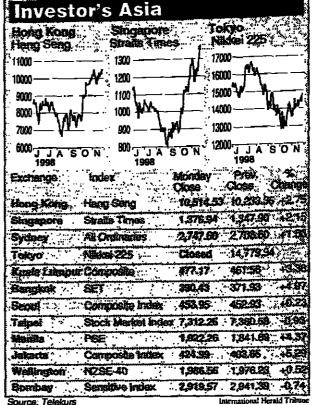
Hong Kong Telecom wants to buy Star Internet, a subsidiary of Star Telecom, for 245.5 million Hong Kong dollars (\$31.7 million). but Asia Online, a competitor, immediately called the deal a threat that could force small players out of

"Hong Kong Telecom is in a po-sition to practice predatory pricing against would-be competitors and control the introduction and use of new Internet technologies," Asia Online, which has about 20,000 subscribers, less than one-tenth of Hong Kong Telecom's Internet cus-

tomer base even before any merger. The sale will close only if government approval is obtained by

Dec. 31. Hong Kong Telecom said. Hong Kong has no anti-monopoly laws for Internet service providers, but regulators will study the merger's effects on market competition any action, said Danny Ng, a spokesman for Hong Kong's Tele-communications Authority.

Hong Kong Telecom, a subsidi-ary of Cable & Wireless PLC of Britain, has been aggressively expanding into new markets to cushion the loss of revenue it expects to face



#### Very briefly:

• Fleet Financial Group Inc. of Boston agreed to buy Sanwa Business Credit, a U.S. finance company, from Sanwa Bank Ltd. of Japan to increase its equipment-leasing and financing business. The banks did not disclose financial details, but sources said the price was more than \$700 million.

and consumer interest before taking • Taiwan's jobless rate held steady at 2.98 percent in October as falling interest rates and a stable currency offset the impact of a slowing economy. The government has predicted economic growth of 5.3 percent for this year.

• Japan agreed to guarantee \$500 million in Thai publicsector bonds. "We believe the Thai economy has bottomed out," said Hideo Hato, an official at the Ministry of International Trade and Industry.

### **BREUER:** Is Deutsche Bank's Chief Prepared for Risk?

#### - Continued from Page 11

company's recruits from Wall

Morgan Grenfell's independence by merging it with the parent company's commercial bank and elimations of big U.S. banks.

At the same time, Wall Street inating the name Morgan Grenfell. investment banks such as Morgan except to compete on a world stage.

Credit Suisse or J. P. Morgan & Co. vising big European companies on "Our motto is Europe first," he mergers and acquisitions. said in March, in what many took as

Wall Street. Though insisting that he Corp. in January created a global. British style of deal-making.

Street. Though insisting that he Corp. in January created a global. British style of deal-making.

Mr. Breuer reversed that street asserting control in the home.

The combination of Citicorp and asserting control in the home. in the market for companies that Travelers Group as Citigroup may managed assets than for entire in-well have added to the pressure. vestment banks.

treat entirely. Because of bruising the strategy of Germany's next- headquarters in Frankfurt.

Advertisement

competition, profits from commercial banking in Germany have long Bank AG and Commerzbank AG been anemic. In an era when all big. bave formed alliances in other Europeans. Street. He also trimmed bonness, banks compete globally for investment capital, Deutsche Bank and more restrained about carving out causing many people to quit.

After that, he took away much of most other German institutions genment capital, Deutsche Bank and more restrained about calving positions as global competitors.

But with more than \$600 billion

This spring, Mr. Breuer repeatedly Stanley & Co., Merrill Lynch & Co. denied rumors that he was interested and Goldman, Sachs & Co. domin acquiring institutions such as inate the lucrative business of ad-

In addition, the financial industry

Deutsche Bank's renewed push

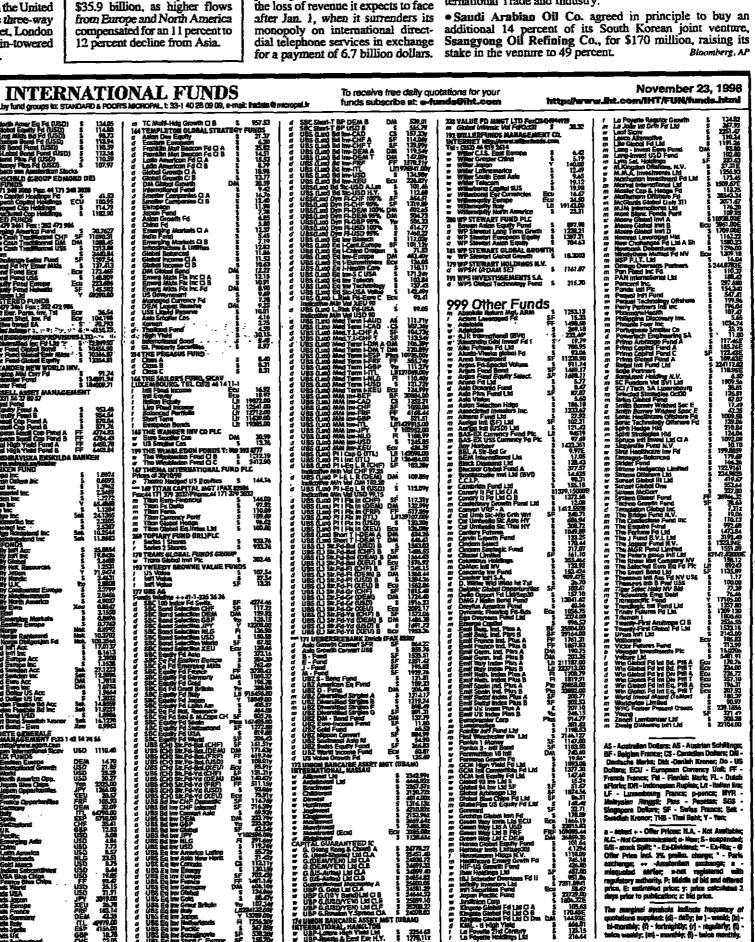
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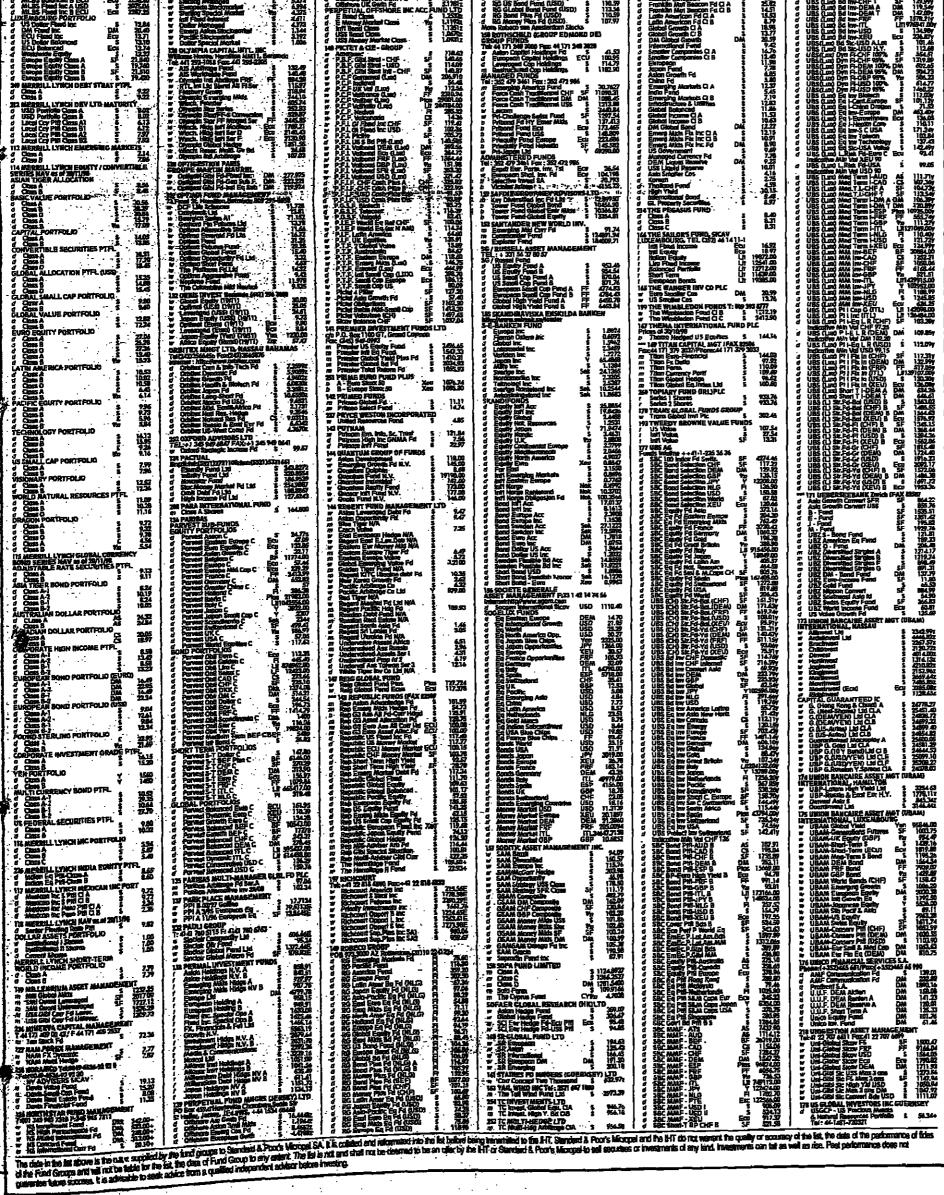
But with more than \$600 billion in

assets and 75,000 employees, At the same time, Wall Street Dentsche Bank may have no choice If Mr. Brener carries out a Bankers Trust acquisition, a big challenge will be fitting it as a coherent unit. Before he retired, Mr. Kopper argued that he had to give the newly acquired London investa retreat from Mr. Kopper's goal of establishing Deutsche Bank as one of the top 10 investment banks on merger of UBS and Swiss Banking same expertise in the American merger of UBS and Swiss Banking same expertise in the American-

Mr. Breuer reversed that strategy, asserting control in the home office. With Bankers Trust, which does a large part of its business in the United States, he faces a possible three-way But competitive pressures made it into investment banking and into the struggle among Wall Street, London difficult for Deutsche Bank to re- United States is quite different from and Deutsche Bank's twin-towered

earlier, to 16,168.







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Monday's 4 P.M. Close The 2,600 most traded stocks of the day. wide prices not reflecting late trades else

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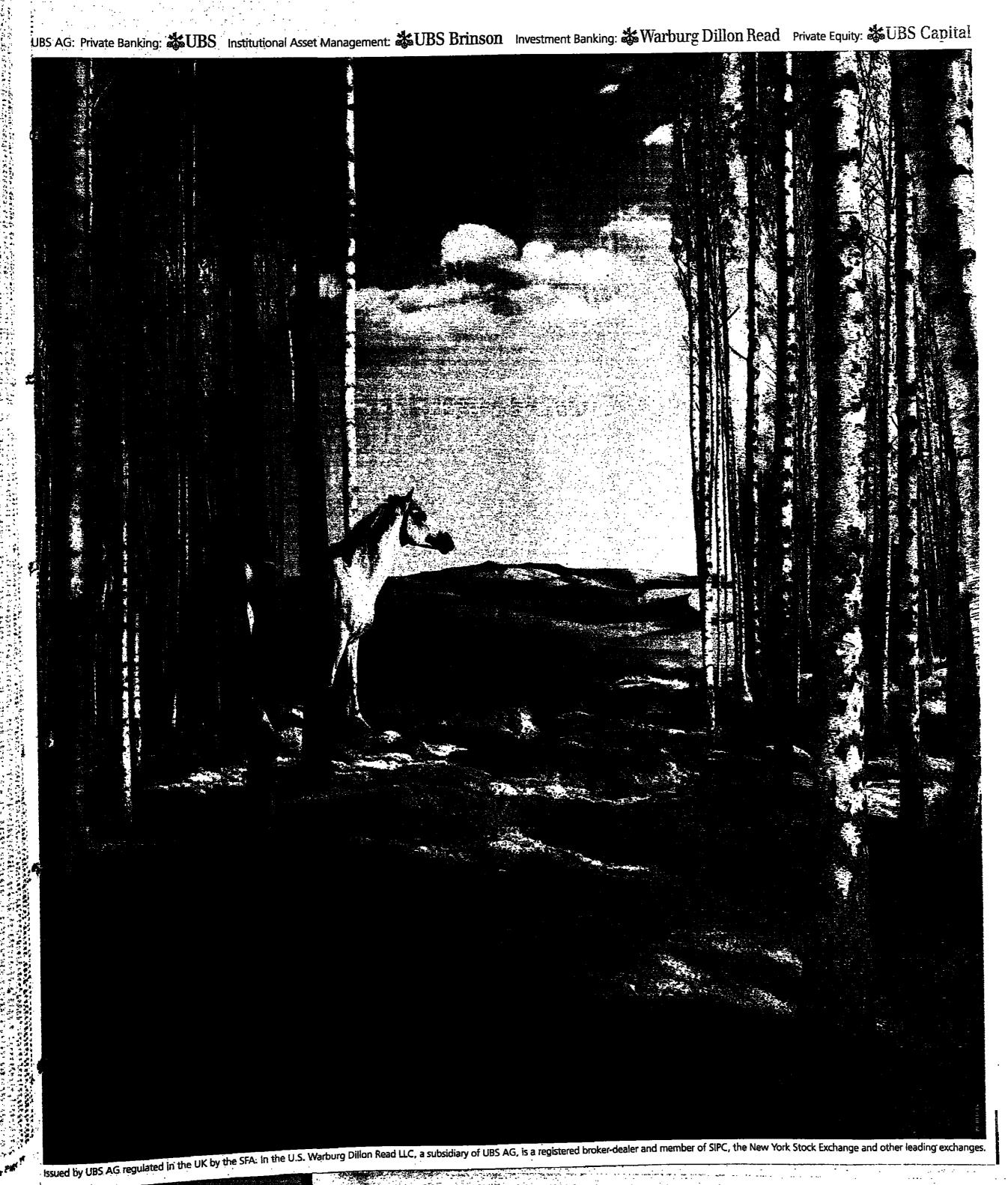
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### WORLD ROUNDUP

### Rose Loses Bloom

GOLF Justin Rose, the teenager who finished fourth in the British Open as an amateur, failed Monday to win his card for next season's

European pro tour.
The 18-year-old Englishman missed the cut in the other eight tournaments he played and had to join 180 others in the six-round qualifying event at Sotogrande, Spain. He needed a 70 in the final round to join the top 35 and win a tour card, but shot an 80. (Reuters) · Laura Davies ended a 20-

month victory drought on the LPGA Tour on Sunday, closing with a three-under-par 69 for a four-stroke victory in the seasonending Tour Championship in Las

Davies, who won \$215,000, had an 11-under 277 total. Brandie Burton, Karrie Webb and Pat Hurst tied for second.

#### Cricketer Killed by Ball

CRICKET A first-class cricketer died in Hyderabad, Pakistan, on Sunday when he was hit on the neck by a rising delivery in a club match. If tikhar Ahmad, 32, who had played two first-class matches for Karachi, was struck while attempting a hook shot. (Reuters)

#### Hingis Takes Revenge

**TENNIS** Martina Hingis finished the season Sunday by beating Lindsay Davenport, the woman who took her No. 1 ranking, 7-5, 6-4, 4-6, 6-2 in the final of the Chase Championships in New York. "I guess I got you this time," Hingis white state of the Paragraph o whispered to Davenport as the two shook hands at the net. (NYT)

#### Stanford Beats No.1

COLLEGE BASKETBALL For the second consecutive week, the topranked team in women's basketball lost. Regan Freuen's free throw with one second to go gave Stanford (1-3) a 73-72 upset over visiting Purdue (2-1). Purdue had attained the No. 1 ranking by snapping Tennessee's 46-game winning streak. (NYT) winning streak.

#### Whiz Kids' Sisler Dies

BASEBALL Dick Sisler, 78, a member of a prominent baseball family who gained his own niche for the Philadelphia Phillies' 1950 Whiz Kids team, died Friday in his hometown of Nashville, Tennessee. His father, George, was also a baseball player and is in the Hall of (NYT)

### NFL Playoff Picture **Comes Into Focus**

Only Final Wild-Card Berth Is Still in Play

The Associated Press There are five weeks of the regular season still to go, but already the playoff picture in the National Football Conference seems clear.

Barring a sudden collapse or an un-expected five-game winning streak by one of the current also-rans, the three division leaders — Atlanta, Dallas and Minnesota - seem set for the playoffs, along with playoff perennials Green Bay and San Francisco. The only doubt hovers over the final wild-card berth. Arizona, a 45-42 winner over Washington, has the inside track for its first playoff berth since 1982.

The Vikings and Cowboys essentially have three-game leads in their divisions. The closest race is in the NFC West where San Francisco is one game behind Atlanta, but both teams seem sure of at least a wildcard spot.

Falcons 20, Bears 13 In Atlanta, the Falcons won their fourth straight, but they know their fate rests on the health of Chris Chandler, their quarterback

Chandler went down clutching his leg in agony with six and a half minutes left, but the injury was later diagnosed as a right knee and ankle sprain. Chandler believes he'll be ready for the game against Cincinnati next week.

'It's certainly not a season-threatening or career-threatening injury," said Andrew Bishop, the team doctor.

Over the past two seasons, the Fal-cons are 14-4 when Chandler plays an entire game. They are 2-7 otherwise, including a 28-3 loss to the New York Jets with Steve DeBerg as the starter -their worst defeat this season.

Before he was injured, Chandler brought the Falcons back from a 13-3 deficit with a 13-yard touchdown pass to Terance Mathis and an 11-yarder to Todd Kinchen.

Cardinals 45, Rodskins 42 Jake Plummer ran for three touchdowns and passed for two as Arizona held on at Washington after leading 31-0.

The Cardinals won despite outstanding performances from Trent Green, the Washington quarterback, and Michael Westbrook, a wide receiver. Green completed 30 of 49 passes for 382 yards and a career-high four touchdowns, and Westbrook had 10 receptions for 135 yards and three touchdowns.

Cowbovs 30, Soshawks 22 Trov Aikman threw two touchdown passes and completed 28 of 42 for 296 yards as Dallas stayed two games ahead of the

Visiting Seattle led 14-13, but Aikman's 18-yard touchdown pass to Billy Davis and Chris Warren's one-yard run in the fourth quarter gave Dallas the

ceiver, had 153 yards receiving, includ-ing a 49-yard TD pass from Randall Cunningham, who matched Brett Favre's two scoring throws.

The Vikings clinched a playoff berth

when the 49ers beat the Saints. 49ers 31, Saints 20 Steve Young, the

San Francisco quarterback, had three first-quarter turnovers but finished with four touchdown passes as the 49ers fought back from an early 10-0 deficit against visiting New Orleans.

Panthers 24, Rams 20 Carolina won for the second time this season, forcing a turnover on a late interception return by St. Louis.

The Panthers were on the verge of squandering a 17-point lead when Ro-man Phifer intercepted a pass from Steve Beuerlein. But Mark Carrier stripped Phifer of the ball at the 5, and Carolina center Frank Garcia recovered in the end zone for a touchback with 2:41 to go.
The Rams (3-8) lost for the 10th time

in 11 games at home as well as losing quarterback Tony Banks to a sprained

right ankle. Lions 28, Bues 25 Ron Rivers, subbing for Barry Sanders, ran 36 yards for a touchdown, and Trent Dilfer threw a crucial interception in the closing minutes at Tampa Bay.

Giants 20, Eagles 0 Phillippi Sparks' two interceptions helped New York hand visiting Philadelphia its third shutout loss of the season.

Broncos 40, Raiders 14 In the AFC, the playoff picture is murky, but one sure thing appears to be Denver, which kept alive its hopes for an unbeaten season with its victory over Oakland in

John Elway went over 50,000 yards passing for his career as Denver scored the last 23 points against Oakland, whose defense ranks second in the NFL.

NFL rushing leader Terrell Davis ran for 162 yards on 31 carries and scored once, raising his season total to 1,492 yards, and the Broncos defense had three fourth-quarter interceptions, all of which were converted into touchdowns.

Steelers 30, Jaguars 15 Dewayne Washington returned two interceptions for touchdowns of 52 and 78 yards as Pittsburgh moved within a game of Jacksonville with its showdown AFC Central victory over the Jaguars.

Washington stepped in front of Keen-an McCardell for his 52-yard return on the Jaguars' second possession, then added his fifth career TD return with 34. seconds left.

Jets 24, Oilors 3 Vinny Testaverde, the New York quarterback, threw for 237 yards and two touchdowns as won ctory. at Tennessee. The score was 3-3 at Vikings 28, Packers 14 In Minneaphalftime before Testaverde led the Jets olis, Randy Moss, the Viking wide re- to touchdowns on their first two pos-



The Chargers' Tremayne Stephens going high to score against the Chiefs.

sessions of the second half. He capped each drive with TD tosses, the first a 3yarder to Keyshawn Johnson and then a

two-yarder to Keith Byars. Ravens 20, Bengals 13 Priest Holmes, who rushed for 173 yards against the Bengals in his first NFL start, piled up 227 more for Baltimore in the rematch

Chargers 38, Chiefs 37 In San Diego, two pass interference penalties against

James Hasty set up Craig Whelihan's one-yard TD pass to Charlie Jones with nine seconds left.

It was the sixth straight loss for the Chiefs despite their highest-scoring

game of the season. Bills 34, Colts 11 At Buffalo, Antowain Smith rushed for two touchdowns and Doug Flutie passed for two for the Bills, who scored 24 points in the second quarter.

### Calgary Wins Canadian Football Crown

The Associated Press

WINNIPEG, Manitoba - Mark McLoughlin kicked a 35-yard field goal on the final play of the game to give the Calgary Stampeders a 26-24 victory over Hamilton in the 86th Grey Cup, the Canadian Football League championship game. Hamilton took a 24-23 lead with

2:02 left Sunday on a one-yard run by the Tiger-Cats failed on a 2-point conversion attempt.

Jeff Garcia, the Calgary quarter-back who was selected the game's outstanding player, then marched the Stampeders 52 yards over the final

1:57 to set up McLoughlin's fourth field goal of the game. "We picked them apart down the

field, made some plays and got the ball to where Mark could drive it through," said Garcia, who completed 22 of 32 passes for 260 yards: and rushed for 47 yards and a touch

Vince Danielsen, the Calgary slotoutstanding Canadian, had six recep-tions for 82 yards.

Danny McManus, the Hamilton

quarterback, was 20-for-39 for 288 yards with a touchdown and an interception.

### For Superfan Since 1926, Streak Ends At Rose Bowl

By Richard Goldstein New York Times Service

NEW YORK — Giles Pellerin neves, scored a touchdown before a huse. crowd, never struck out a batter, never dunked a basketball, but he compiled one of the most remarkable streaks in

Over the weekend. Pellerin was at the Rose Bowl, attending his 797th con-secutive University of Southern California football game, a streak dating to 1926. During the second half of the USC UCLA game Sanday, he felt ill-and asked his brother Oliver, 37, who was merely attending his 600th con-secutive USC game) to take him home-But Giles Pellerin collapsed and died in

the Rose Bowl's parking lot.

The man known as USC's Super Fan, and presumably America's No. 1 color

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lege football fan, was 91. 💎 Pellerin's first USC game was the 14-3 victory over Penn State in the 1923 Rose Bowl game, when he was a student at Huntington Park High School. But F streak began three years later, while he was a sophomore at USC.

He traveled more than 650,000 miles

by plane, train and automobile - visiting more than 50 cities, including Tokyo - and spent upward of \$85,000 s in following the Trojans, according to the USC athletic department.

Going into this season, he had seen all-69 USC-Notre Dame games and all 67. USC-UCLA games. His streak, which began a year before USC's white mascot horse, Traveler, started appearing at., games, spanned 11 coaching regimes. He postponed his honeymoon with,

his bride, Jessie, eight months so he could celebra. USC game in-Hawaii in 1935. In 1949, he was hospitalized for an appendectomy five days before a home game. The day of the game, he told nurses he was going to take a walk on hospital grounds. Instead, he went to the Los Angeles Coliseum, saw his beloved

USC ront Oregon, 40-13, then returned to the hospital before anyone realized he had been missing.

Pellerin also attended many home. games of USC's other teams. And he spoke about his streak before service

A USC graduate, class of 1929. utive who lived in Pasadena, California. He donated \$1.3 million to endow three football scholarships and a swimming scholarship at USC.

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"My whole life has been USC football, and I've loved every minute of it." he once said.

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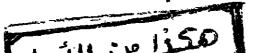
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### Juventus Wins Delay

Match in Istanbul Put Back To Let Tensions Cool

Compiled by Our Staff From Desputches postponed for a week a Champions League match in Istanbul between Galatasaray of the second leg over the weekend. Turkey and Juventus of Italy because of es-

moved the game to Dec. 2.

WORLD SOCCES

Thousands of people have taken to the streets in Turkey in the past week to protest. Juventus players and officials had said they felt they could be victims of anti-Italian sentiment. Staterior Minister Kutlu Aktas of Turkey and up to 20,000 police and paramilitary

forces would be assigned to the match. Juventus needs a victory against Galata-saray, the Group B leader, to keep alive its chances of qualifying for the quarterfinals. The delay will allow both teams to see how group rivals Rosenborg Trondheim and Athletic Bilbao do in their match Wednesday.

BRAZIL Santos players accused a referee of changing his mind on the basis of information from touchline reporters during a Brazilian championship quarterfinal match.

NYON, Switzerland — UEFA on Monday reporters during the first-leg match with Sport reporters during the first-leg match with Sport Recife, were upset over a disallowed goal in The players, who had fought with radio

Turkey and Juventus of Italy because of escalating tension between the two countries.

The governing body of European soccer

The gover Marques entered the goal through a hole in the Italy has refused a Turkish request to extradite a Kurdish leader for trial as a terrorist. Travassos said his assistants pointed out his mistake, but he nevertheless said that soccer authorities should allow referees to use video evidence in similar cases.

Santos won, 2-1, but needs to win the third game at home on Wednesday to qualify. This year, the quarterfinals are played over three legs that are decided on points, goal aggregate if points are level and the teams' first-

stage records if goal aggregate is also level.

ARGENTINA Boca Juniors needs one point to claim its first title since 1992 after it won, 3-2, at Rosario Central while second-place Gim-nasia-La Plata lost, 2-1, to Talleres.

 Unbeaten Boca extended its lead in the Apertura championship to nine points with three games left. The Apertura is the first of two championships played in the Argentine season. Teams play each other once in each event, and there is no overall champion. (AP, Reiders)



Mark Ramprakash, of England, hooking for four.

### Australians Chase Advantage

Remers BRISBANE - Michael Slater hammered 113 rapid

runs as Australia strove to create a winning position on the fourth day of the first test match against England. After England lost its last six first-innings wickets for 76 and was all out for 375. Australia raced to 237 for three wickets before declaring its second innings closed and setting England a victory target of 348 with just over a day to play. The tourists finished on 26 for no wicket.

### Flyers' Goalie Shuts Door On Florida in Return Trip

احكذامن المرصل

SUNRISE, Florida - John Vanbiesbrouck made 25 saves in his return to South Florida, including three critical stops in the third period. no hard feelings toward the keeping Philadelphia in the Panthers. game until Keith Jones scored the game winner 26 seconds into overtime to give the Flyers a 2-1 victory over the Florida Panthers.

Vanbiesbrouck has had many such nights in Florida, but Sunday was the first time that the Panthers were the victims. The goalie was the backbone of the Panthers for five years as Florida became the fastest-rising expansion club in the National Hockey League, going 33-34-17 in its first season and reaching the Stanley Cup finals three years

later. Last season, Vanhiesbrouck sniped with the Panthers' management over right circle. trades that shipped out vet-

lion, three-year contract with the Flyers over the summer. He insisted that he harbored

NHL ROUNDUP

"I put all that behind me, the frustration," Vanbiesbrouck said. "I try to remember a lot of the good things."

Greeted with about a 50-50 mixture of cheers and boos as he took the ice, Vanbiesbrouck turned in a third-period performance that recalled the best of times.

He first turned away Scott Mellanby and Viktor Kozlov in close within a span of about 90 seconds early in the period. Then, with seven minutes left, he stopped Mark Parrish as he steamed through the

erans to infuse the team with 12th goal as the Flyers youth. He signed a \$10.5 mil-notched their fourth straight victory.

Bobby Holik had a goal and an assist as the New Jersey

Devils won at Carolina. Randy McKay, Jay Pandolfo, Denis Pederson and Scott Stevens added goals for the Devils, who won for the

10th time in 14 games. Nelson Emerson and Ray Sheppard scored for the Hurricanes, who fell two games below .500 but kept their Southeast Division lead.

Mighty Ducks 4, Blackhawks 1 Paul Kariya set up goals by Marty McInnis and Steve Rucchin, and Guy Hebert again was solid in the nets as the Mighty Ducks beat the visiting Chicago Black-

Stu Grimson and rookie Antti Aalto also scored for Anaheim, which won for the John LeClair scored his fifth time in seven games.



Corolina 24, St. Loets 25
Battissore 20, Cincinted 13
Denver 40, Octioned 14
San Diego 39, Koness City 37
San Francisco 31, New Orleans 20 GREY CUP

THE AP TOP 25 Phs 1,765 1,685 1,636 1,547 1,446 1,217 1,226 1,217 1,165 1,098 1,000 965 763 766 714

604 559 371 297 278 233 232 147 ginks 30, Pureive 21, N. Carolino St. 18, Brighom Young 9, Wyoming 8, Milani, Ohio 7, Marshall

BASKETBALL U.S. COLLEGE SCORES

THE APTOP 25 No 15, Purdue (4-0) dei. Laiayette 72-67. No 19. Ariamens (4-1) leat to Villanovo 76-LEADURE COLLEGE RESULTS inghem 78, Tvisa 61 Alchema: 75. Boston U. 52 DePoul 78. Alchema St. 74 Louisville 99, W. Kentucky 78 Kent 73. Boll St. 60

Ohio St. 86, Army 45 Colorado 83, Stephen F. Austin 55 San Jose St. 99, CS Northridge 77

Women's AP Top 25 Top 25 teams in Associated Press' women's college baskednell poll, with 1st-

1. Connecticut (34) 2. Louisiana Tech (3) England: 375 and 26-0



Offsets receiving votes: Stanford 134, UC Sauta Barbara 84, Clemson 78, Fla. International 41, Washington 34, Virginia Tech 30, Drake 20, Memphis 18, Perm St. 14. Artzona 13, Howall 10, Auburn 6, Louisville 5. Cregar 5, Boylor 4, SW Missouri St. 4, Stephen F. Austin 3, New Mexico 2, Arkansos St. 1, DePaul 1, Toledo 1.

**WOMEN'S TOP 25 SUNDAY RESULTS** WOMEN'S TOP 25 SUNDAY RESULTS
No. 7 Georgia (1-0) lost to Stanford 73-72.
No. 7 Georgia (1-0) del. Orol Roberts 118-64.
No. 8 Vergiaire (1-1) lost to Arkonsos St. 86-77.
No. 12 G. Washington (2-1) lost to No. 20
Florida (4-1) 22-59.
No. 14 UCLA (1-2) beat West Virginia 91-76.
No. 17 Kanssos (2-2) lost to Howaii 51-47.
No. 24 (illinois (2-0) heat Wagner 76-51.
No. 25 Wisconstin (4-0) beat WisconsinGreen Bay 60-52.

CRICKET

No. 25 Wisconsi Green Bay 60-52.

MONDAY IN BLOCKFONTEN, SOUTH AFRICA est Indies: 316 and 188

AUSTRALIA VS. ENGLAND FIRST ASHES TEST, FOURTH DAY MONDAY IN BRISBANE, AUSTRALIA ISHIBIO: 485 ONG 237-3 GECKNED.

WORLD CUP

MEN'S SLALON SUREDAY IN PARIK CITY, UTAY 1. Pierrick Bourgeat, Fr., 1 mbr., 43.34 sec. 2. Hons-Petter Buraas, Norway, 1:43.76. 3. Christian Mayer, Austria, 1:44.02.

A Markus Eberte, Germany, 1:44.06.

Fran Christian Jagge, Norway, 1:44.06.

6. Sebastian Amiez, France, 1:44.20.

7. Thomas Stangassinger, Austria, 1:44.40.

8. Thomas Grandi, Conada, 1:44.44.

9. Kjefii Andre Aamodt, Norway, 1:44.54.

Francois Simond, France, 1:44.54.

Frincois Simono, Frinca, 1:44.54.

OVERALL. STAMPHOLS: (after 3 meants): 1. Majer, 190; 2. Stephon Eberharter, Austria, 180; 3. Aamadt. 105; 4. Eberle, 104; 5. Bourgeat, 100 and Hermann Maler, Austria, 100; 7. Michael Von Gruenisen, Switz, 97; 8. Lasse (Na, Norwin, 81; 9. Burass, 80; 10. Heinz Schilichegger, Austria, 79.

SOCCER

AL Ausan I. Lazio V STANDINEGE: Florentina 21 points: Rema 18; Milian 18; Juvertus 18; Parma 16; Cagliari 14; Bologna 14; Inter Milian 14; Lazio 13; Bari 13; Udinese 13; Perugla 12; Sampdorio 12; Piacenza 11; Empoli 10; Vicenza 10; Salem-itano 10; Venezio 5. AC Milan 1, Latia 0

ESPANISH FREST PRYSION
ESPANISH FREST PRYSION
ESPANISH FREST PRYSION
ESPANISHESE MUBICO 22 points; Cetto
Vigo 20; Borcelono 19; Red Madrid 18;
Volencia 18; Adellio Modrid 17; Deportivo
Comma 17; Rading Santonder 16; Red Zatugaza 16; Ovledo 15; Volladošid 15; Salumono 18; Red Baths 14; Espanish 13; Att. manas 14: Real Betts 14: Espanyol 13: Atta

letic Bilboo 13; Real Sociedad 13; Alores 12; Villamed 10; Tenerife 10; Extremadura 6. SCOTTISM PREMIER LEAGUE ndee United O. Dundee 1 STANDINGS: Rangers 30 points; KRmarnock 25: Cettic 25; 51 Johnstone 23: Hearts 19; Dundee 19; Motherwell 18; Dundee United 14; Aberdeen 14; Dunfermiline 14.

#### TENNIS

CHASE CHAMPIONSHIPS

FINAL rtino Hingis (2). Switzerland. def. Lind-avenport (1), U.S., 7-5, 6-4, 4-6, 6-2. WTA 1998 FINAL RANKINGS

1. Lindsay Davenport (U.S., 5.654 points

2. Montino Hingls (Switzerland, 5.364

3. Jano Rovotina, Czech Republic, 3,734

4. Arantxa Sanchez Vicario, Spolin, 3,417

5. Vesus Williams, U.S., 3,262

Montin Saler, U.S., 3,262 Monico Seles, U.S., 3,226

7. Mary Pierce, France, 2,414 8. Conchita Martinez, Spain, 2 9. Steffi Grat, Germany, 2,261 9. Steffi Graf. Cermany. 2,261
10. Noffhalle Tauziat. France, 2,259
11. Pathy Schryder, Switzerland, 2,256
12. Dominique Van Roast. Belgium, 2,073
13. Anna Kourmikova. Russla. 1,971
14. Sandrine Testud. France. 1,898
15. Irina Spiriea, Romania. 1,230
16. Nofasha Zvereva. Belgrus. 1,770
17. Amanda Coetzer. South Africa. 1,752

ATP DOUBLES CHAMPIONSHIP

JOCCO Ettingh and Poul Hoshuls. Nether-lands (1), def. Mark Knowles, Bohomes, and Daniel Nestor, Canada (4), 6-4, 6-2, 7-5.

TRANSITIONS

RHP Richard Barker, LHP Phillip Northon, LHP Brian McNichol and LHP Ray King, INF

LHP Brian McNictori and LHP Ray King, Int-chad Meyers and OF Roosevelt Brown from lowa, PCL Sear RHP Steve Rain and RHP Don Wengert to lowa, couchapa—Waiwed INF Jason Bates, RHP Luther Hackman and LHP Mike Vrarek, Baught contracts at \$5 Juan Sosa and P Jason Brester, P Chandler Martin, P Mike Viciosetia and P Drivid Lee from their miner. Kusiewicz and P David Lee from their minor

signment, HOUSTON— Added INFs Julio Lugo and

Chris Truby, P Tony McKnight, P Wade Miller and P Derek Roof to roster. Waived P Mike Walter. Vicinia Los Angeles—Bought contracts of RHP Eric Gagne, LHP Randy Galvez, LHP Onan Masaoka, RHP Luke Prokapec and RHP Ricky Stone and added them to 40-man

roster.

MILWAUKEE—Bought contracts of OFChad Green. OF Anthony labace and LHP
Brian Passini from El Pasa. TL and INF
Kevin Bariver from Louisville. IL. Named Bill
Campbell pitching coach. Bill Metvin 1st-base
coach and Doug Mansolina, 3d-base abach.
MONTREAL—Bought contracts of RHP
Tony Armas. Jr., LHP Ted Lily, RHP J.D.
Smart and OF Chris Stawers from Ottawa IL.
Named Gene Glynn 1st base coach and Luis
Pujols bench coach.

N.Y.METS—Traded C Jarge Fabreads in the

N.Y.METS—Traded C.Jarge Fabregas to the Florida Manins for RHP Oscar Hentiquez and cash. Bought contracts of INF Maurice Bruce from Capital City, SAL, RHP Dan Murray from Binghamton, EL and RHP Grant Roberts from St. Lucie, FSL.

RASERALL

MAJOR LEAGUE BASEBALL

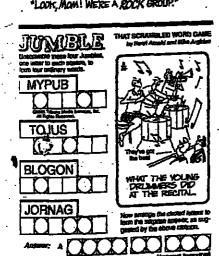
MATIONAL LEAGUE

ABYZDNA—Agreed to terms with RHP Todd
Stottlemyre to 4-year contract. Signed LHP
Brion Shouse Bought contracts of RHP Netson Figurema and OF Rob Ryan front Tucson.
PCL: OF Jason Conti and IF Junior Spivey
from Tutsa, TL. Released RHP Chris Clemans and LHP Netweber.

CHICAGO CUBS—Claimed RHP Elvin
Herronidez off waivers from Minnesotz.
Bought contracts of RHP Kyly Formworth and

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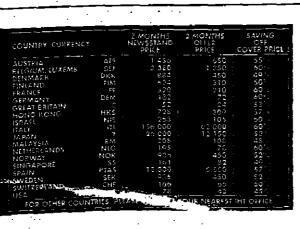


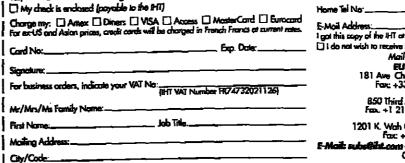




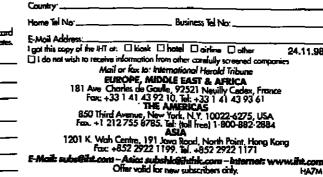
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#### ART BUCHWALD

### Deal Now, Pay Later

have settled with the states for \$206 billion. It sounds like a to kids under 10 years old." good deal on paper, but there are a lot of holes in it.

The money is to be paid out over a period of 25 years, so the companies have breathing room — expression. What

no one has mentioned is that the executives who made the deal today

Buchwald will be 25 years older - some in their late 70s and 80s - when the final payment is made. This will require the retirees to remember what the deal was.

I take you to the Camel-back Marlboro Senior Citizens Home in Sun City, where the treasurer of New York state appears to collect a portion of the final payment of the \$206 billion from Joe Nico, a former president of the Warning Cough Tobacco Co. Nico is sitting in his rocking chair when the state rep approaches him. "You still

#### Chance to Hear The 'Bloboy'

New York Times Service
LONDON — The subject is composers. If this were "Jeopardy," the answer would be "Who is Harry Partch?"

The innovative music of Partch (1901-1976) will be the focus of a concert by Newband on Friday at Barbican Hall in London. It is a rare opportunity to experience the evocatively named instruments he built — the bloboy, chromelodeon and eucal blossom - and is the first time they have been played in Britain.

NEW YORK — All right, owe us \$50 billion from the so the tobacco companies 1998 agreement when you promised not to sell tobacco "I can't hear you. Speak

> "We want our money." "I haven't got any money. I lost all mine when our company invested its profits in

skywriting airplanes." "A deal is a deal, and Governor John Kennedy Jr. is counting on your money to balance his budget. Smoking is still dangerous to people's health, but that doesn't mean you can't pay for it through your nose.

"It's not addictive if you don't inhale," the former president said. "Our deal was that we would not sell cigarettes to kids or advertise them on Nintendo games. People who walked a mile for a Camel are healthier than those who never walked at all.'

The state representative said, "Twenty-five years ago, you and other tobacco companies agreed to compensate us with billions of dollars for selling your coffin nails to customers. We want to get paid so people won't criticize us for making a lousy deal."
The former tobacco com-

pany president smiled, "None of us who made the deal are there anymore, so you will have to collect from the ent owners. Frankly, we feel we got the lousy deal, and since people are smoking more than ever, there is no reason to

pay anything to the states."
The state rep said, "A deal is a deal. If we can't collect from you, we're going to take the money out of your pen-

The ex-president was aghast. "If you do that, I'll only have \$5 billion to live

### New York City Ballet Looks to What's Next

By Anna Kisselgoff

TEW YORK -- It isn't a trivia question to ask which of George Balanchine's ballets were on the first program when the New York City Ballet officially came into existence on Oct. 11, 1948. As virtually every City Ballet subscriber knows by heart, the triple bill consisted of "Concerto Barocco, ""Orpheus" and "Symphony in C."
The same program will inaugurate the City
Ballet's manuroth 50th-anniversary year Tuesday night at the New York State Theater, just as it did the 40th anniversary.

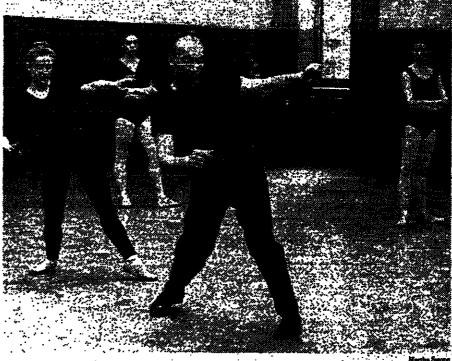
An act of piety, this replay has its limitations. As the 50th-birthday celebration will suggest with a spread of 100 ballets over the winter and spring seasons, the City Ballet never lived by Balanchine alone. He was certainly its dominant figure, but an appraisal of the company at its half century must also go beyond an appreciation of Balanchine.

Nonetheless, there is useful symbolism in Tuesday's program, which includes a tribute to Tanaquil LeClerq, a muse to both Bal-anchine and Jerome Robbins through her inimitable performances in the 1940s and '50s. Looking back, it is clear what Bal-anchine defined in the 1948 triple bill. With three signature pieces choreographed to mu-sic by Bach, Stravinsky and Bizet, Balanchine announced a company predicated not on ballet's stock repertory but on creativity.

His fellow Russian, the poet Marina Tsvetayeva, once defined the creative compulsion in terms he would have recognized. In her essay "Why I write . . . ," she explained: "Not for the millions, not for some one-andonly, not for myself. I write for the poem alone. The poem, through me, writes itself."

To appreciate the City Ballet's achievement is to measure a comparable passion for choreography. It has been shared not only by Balanchine, but also by Robbins and Peter Martins, who served jointly as the company's artistic directors from 1983 to 1990. Martins has been sole artistic director since then. Balanchine died in 1983; Lincoln Kirstein, who founded the company with Balanchine and was general director, retired in 1989 and died in 1996. Robbins, who left in 1990 but returned to choreograph new ballets through 1997, died in July. For the first time, then, the City Ballet finds itself bereft of its founding fathers. Does it make a difference? Yes, if

you expect time to stand still. But as Martins has demonstrated, a com-



Balanchine rehearsing a new work at the New York City Ballet in 1963.

pany can change and still be true to itself. He has asserted full control since 1991, when the success of his splendid production of "The Sleeping Beauty" won over even those who sonal) and codified (classical) dance idiom. Sleeping Beauty' won over even those who will never forgive him for not being Balanchine. That he was hailed and assailed anew has become irrelevant. One has yet to find a company that dances Balanchine and Robbins better than the City Ballet or defends the value of the classical idiom so consistently in its entire repertory. Martins is here to stay.
The City Ballet board has given him a vote of confidence by offering him a contract for the next five years; he has agreed to sign.

But any 50th anniversary should celebrate what has been achieved in that half century. Essentially, the company has never faltered in its unofficial mission, which is to lead the public, not to follow it.

It is worth recalling the words Balanchine uttered upon his arrival from Europe. "Classicism is enduring because it is impersonal,"

"Concerto Barocco," set to Bach's replied without hesitation: "New ballets will be told the British critic Arnold Haskell in Double Violin Concerto, and "Symphony in have to be created and made on the premises." 1933. At that time, when there were barely C," to Bizet, look timeless today because This is what this place is about."

By affirming his faith in ballet's 300-year-old classical vocabulary, which was hardly in vogue in the 1930s, he laid the foundation for the company he was to establish with Kirstein. Classicism in the larger sense, with its attributes of harmony and balance, may have been implicit in his remark to Haskell. for the City Ballet's pure-dance aesthetic.

But the truth is that Balanchine was adti is not, admittedly, a conception that his
vocating a return to the steps of ballet's everyone's view of ballet. Even Kirstein had
classical, or academic, lexicon. At a time when modern dance and the Expressionist influence in ballet were in the ascendancy. Balanchine expressed his loyalty to the lan-guage of Marius Petipa, choreographer of "The Sleeping Beauty." Renewed, this idiom and the neoclassical style could help

ballet take hold in America and endure.

effective as formal constructs. By contrast, "Orpheus," with its Stravinsky score and biomorphic decor by Isanm Noguchi, has

1940s experimental look.
It is easy to take the City Ballet's contribution to American culture for granted: The quality of the Robbins and Balanchine repertory, now brilliantly danced in most instances, is self-evident. One should also not forget that in an era once flooded with

story ballets, the company waged an uphill battle to convince a skeptical public of the

value of pure-dance works.

That Balanchine was drawn in this direction is no surprise. He had grown up in Russia, a country that had recently rejected its native realist tradition in art. It was not for his generation to favor subject over style, or his generation to favor subject over style, or to feel a duty to solve civic problems through art. Yet even an American like Robbins, following his success with "Fancy Free" at American Ballet Theater in 1944, opted for a less pictorial approach in his choreography when he joined City Ballet at its founding and became associate artistic director in 1949. At If the City Ballet remains true to itself, this is because it has been inbued with the consistent fluiding that ruled its precursors, the

sistent fhinking that ruled its precursors, the earlier companies directed by Balanchine and Kinstein from 1934 to 1947. The American Ballet, Ballet Caravan (directed by Kirstein alone but using Balanchine's dan-cers), American Ballet Caravan and Ballet Society each had a different emphasis. But each concentrated on new works, not stars, and serious music, usually distinguished often commissioned. Despite exceptions, the focus in choreography was not on parrative and decor but on the essence of classical dance: steps and the combination of steps. "Concerto Barocco" and Bahanchine's "Ballet Imperial," both created for American Ballet Caravan in 1941, paved the way

as a springboard for choreography. In 1937 he wrote, "I have come to feel that music unduly tyrannizes him, but then I am not a trained

Britai

----

Particular -

musician nor a trained dancer as he is."

Martins knows well that fresh choreography is essential to the company's profile.

Asked about his focus for the future, he

### **PEOPLE**

S TAR WARS" is back. Or more pre-cisely, a two-minute trailer for "Star Wars: Episode I - The Phantom Menace," the first "Star Wars" film since the release of "Return of the Jedi" 15 years ago. The new film, written and directed by George Lucas, opens in American theaters on May 21. The trailer was screened last week in 26 states on 75 screens selected by the movie's distributor, 20th Century-Fox. Fans heard about it a few days earlier on the Lucasfilm Web site (www.starwars.com), and it quickly turned into a film event that had no precedent. Theaters showing such films as "The Siege" and "Meet Joe Black" were crammed with people who paid full admission just to see the trailer and left when the movie began.

Mick Jagger and Jerry Hall have split up again, two British tabloids have reported. But the papers, The Mail on Sunday and The News of the World, disagreed over whether the trouble this time stems from an old problem — the

Rolling Stones singer's other women -

or a new one: his anger over their 14year-old daughter, Elizabeth, following in her mother's modeling footsteps. The Mail said Jagger had accused his wife of seeking to revive publicity for herself by modeling with Elizabeth. But The News of the World carried a shadowy picture that it contended showed Jagger leaving the Paris apartment of an old flame, the model Carla Bruni. An

enraged Hall then flew to New York with the couple's youngest child, 11month-old Gabriel, the paper said.

The British actress Kate Winslet, who shot to fame with her role in "Titanic," married her fiance, Jim Threapleton, a 25-year-old assistant film director, in Reading, England, on Sunday. Winslet,

#### Alan Pakula Is Buried in Private Ceremony The Associated Press

TAST HAMPTON, New York — The film director Alan Pakula was celebrated life on and off the screen.

"I never met anybody in my life who was not a better man or a better woman for having known Alan Pakula," Don Hewitt, producer of the CBS News show '60 Minutes,' said at the director' burial Sunday. Pakula, whose films included "Sophie's Choice," "To Kill a Mockingbird" and "All the President's Men." was killed Thursday at age 70 when a steel pipe apparently fell off a truck and crashed through the windshield of his station wagon, striking him in the head.

"He gave a lot of people happiness and a lot of strength," said the ABC News anchorman Peter Jennings. "You could go to Alan and tell him almost any secret and it was always safe."

23, wore a cream, pearl-encrusted dress by Givenchy. One hundred and fifty people were invited to the ceremony, which was followed by a reception on a barge on the River Thames.

A poster for the 1933 classic "King Kong" was sold at auction in Boston for \$62,000. The poster shows Kong cradling Fay Wray and snarling at the New York skyline. Steven Rotman, a furniture store owner from Worcester, Massachusetts, placed the high bid at the Skinner Auction House. An auction consultant, Rudy Franchi, said the sale

Andy Warhol's "Portrait of Frederick the Great" and works by such artists as Otto Dix, Kaethe Kollwitz, Picasso, Chagali and Emil Nolde will be in the limelight beginning Friday in Berlin. In two days, more than 1,150 works of art and photography valued at nearly \$10 million will be offered for sale by the auction house Villa Grisebach.



BRAVO — The Italian director Michelangelo Antonioni is applauded by Interior Minister Jean-Pierre Chevenement of France after the Entrevues Film Festival of Belfort presented him with an award for his film work.



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